

Company Registration No. 06682644

Concept Housing Association CIC
Report and Financial Statements
for the Year Ended 31 August 2021



Concept Housing Association CIC
Report and Financial Statements for the Year Ended 31 August 2021

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Legal and Administrative Information

Board Members

Adrian Bland (Interim Chair) (appointed 24 June 2021)
Abdus (Jeb) Samad (appointed 18 June 2019)
Charlotte Abraham (appointed 22 November 2021)
David Fensome (appointed 7 June 2019, resigned 19 November 2020)
Ian Hughes (appointed 15 November 2021)
Jarnail (John) Athwal (appointed 19 November 2020)
Laurie Clarke (appointed 19 November 2020, resigned 29 March 2021)
Richard Wilson (appointed 19 November 2020, resigned 16 April 2021)
Robin Lawler (Chair) (appointed 25 February 2021, resigned 16 April 2021)
Safaraz Ali (appointed 19 November 2020)
Safraz Hussain (appointed 27 February 2020)
Shakil Mirza (appointed 5 November 2019, resigned 19 November 2020)
Tracey O'Brien (appointed 19 November 2020, resigned 16 April 2021)

Executive Directors

Chief Executive	David Fensome
Director of Customer Services	Shakil Mirza
Director of Finance and Resources	Stephen Duffill
Director of Health & Safety and Compliance	Andrew Frankum

Registered Office

8 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

Registered Numbers

Registrar of Companies	06682644
Regulator of Social Housing	4780

External Auditors

Crowe
3rd Floor
The Lexicon
Mount Street
Manchester
M2 5NT

Internal Auditors

TIAA Ltd
Artillery House
Fort Fareham
Newgate Lane
Fareham
PO14 1AH

Bankers

National Westminster Bank plc
30a Harborne Road
Edgbaston
Birmingham
B15 3AA

Principal Solicitors

Penningtons Manches Cooper LLP
Spaces Crossway
156 Great Charles Street
Queensway
Birmingham
B3 3HN

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Report of the Board

The Board presents its report and audited financial statements for the year ended 31 August 2021.

Legal Status

Concept Housing Association CIC (CHA) is a Community Interest Company registered under the Companies Act 2006 and is a Registered Provider.

Business Model and Principal Activities

CHA's principal activities are the provision of affordable homes and associated services in England for single people, couples and families. At 31 August 2021, CHA owned four general needs units in Bacup and managed a further 5,297 units in Birmingham, Bradford, Telford and London with the stock being held on short-term leases of between two and five years; the exception being several units in Bradford where CHA has entered into 10-year leases in furtherance of its strategy to move towards a more balanced portfolio of owned, short-term leased and long-term leased properties.

With the exception of the general needs and intermediate rent units in Bacup and London respectively (a total of 102; 2020: 84), the remainder of CHA's 5,199 units are classified as non-social supported housing because they do not meet the legal definition of social housing as set out in the Housing and Regeneration Act 2008.

CHA works closely with all its partner local authorities to provide high quality supported accommodation and associated services. Residents are awarded licence agreements. To minimize the risk to CHA, lease agreements with landlords require CHA to pay rent to the landlords only when rooms are occupied and in receipt of Housing Benefit from the relevant local authority.

In Birmingham and Telford, the properties are acquired from partner landlords on short-term 'occupancy only' leases, with intensive housing management and support being provided by those landlords. In Bradford the properties are acquired in a similar way, but CHA provides the intensive housing management and support to residents in accordance with the local authority's preferred way of working. CHA has an exclusive five-year Crisis to Permanent Accommodation contract with the local authority in Bradford and a 20-year nominations agreement for affordable housing.

Review of the Year

CHA's financial performance has continued to grow during the period as the organisation develops. Turnover has increased to £47.1M (2020: £15.9M) following an increase in homes owned and managed during year.

CHA generated a surplus after tax of £811,537 for the year ended 31 August 2021 (2020: £406,425). CHA's housing stock grew very significantly during the year from 3,493 units at 31 August 2020 to 5,297 at 31 August 2021, with additional units being acquired in Birmingham, Bradford and Telford.

Following a period of review by the Regulator of Social Housing (RSH), disappointingly CHA received formal notice of non-compliance with elements of the Governance and Financial Viability Standard on the 23 July 2021. Although further information can be found in the governance section on page 9 CHA welcomes the opportunity to continue to work with the RSH to achieve compliance over the coming year.

Three Board members resigned during the year for personal reasons, one being the Chair, another being Chair of Audit, Risk & Growth Committee. CHA Board has since appointed a new Interim Chair of the Board and the Board has also appointed two further suitably qualified and experienced members of the Board.

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Corporate Objectives and Future Developments

In October 2020 CHA's Board approved the Corporate Plan 2020 - 2025.

The plan sets out CHA's values of:

- Accountability – an organisation you can trust, and which takes responsibility for its actions.
- Flexibility – we deliver person centered locally driven solutions for our customers and local authority partners, we are always learning and are willing and able to adapt
- Integrity – we are diligent, open and honest in working collaboratively with our landlord partners
- Drive – working with energy and enthusiasm, keeping it simple and delivering what we commit to
- Positivity – we empower our staff and partners to make decisions within an appropriate policy and risk framework to ensure outcomes for our customers to address the inequality of their circumstances and
- Ability – constantly striving to stay well informed of regulations, standards and the needs of our markets and appropriately resourced, staffed and trained to satisfy those needs.

The corporate plan outlines CHA's priorities over the next few years under three strategic objectives.

1. A Growing Business
 - a) Responsible growth
 - b) An appropriate balance of stock from short term leases, long term leases and more owned stock to enable us to satisfy demand and the terms of our contracts
 - c) An appropriate balance of supported accommodation and general needs provision and
 - d) Well managed, well run, compliant and financially strong.
2. Support and Independence for Tenants and Licensees
 - a) Providing excellent homes and services
 - b) Supporting those in greatest housing need and
 - c) Identifying and acting on the needs of our customers.
3. Supporting Our Team
 - a) Developing technology, systems and agile working
 - b) Investing in the skills and knowledge of our staff and
 - c) Supporting the success of our partners.

As set out elsewhere in this report, CHA's housing stock has grown rapidly over the last 24 months. The corporate plan approved by the Board anticipates that by the end of 2025 CHA would manage 7,000 homes. CHA's Board remains ambitious to grow its housing stock so that CHA can provide high quality accommodation and services to more people who are in the greatest housing need. However, as set out in the Review of the Year and Governance sections of this report, CHA's Board has decided to slow down its growth plans for 2021-22, to consolidate its portfolio and to ensure that the organisation's governance is appropriate to its size and ambitions for the future.

Internal Controls and Key Strategic Risks

Internal Controls

The Board has overall responsibility for establishing and maintaining the system of internal controls and reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate risk completely. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It can also give

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reasonable assurance about the preparation and reliability of financial and operational information and about the safeguarding of the Association's assets and interests. In meeting its responsibilities, the Board has adopted a risk-based approach to internal control, which is embedded within normal management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the Association is exposed.

The Board has two committees to ensure sufficient focus on specific areas of CHA's work: the Audit, Risk & Growth Committee and the Customer Committee.

In December 2020, following a competitive tender process, CHA appointed TIAA, a leading provider of assurance services to the housing sector, to provide internal audit services. The internal control framework and the risk management process are subject to regular review by our internal auditors, who are responsible for providing independent assurance to the Board via its Audit, Risk & Growth Committee. The Board approve an annual audit plan setting out the assurance reviews to be undertaken by TIAA. Four reviews were completed during the period January 2021 to August 2021, with a further five reviews to be undertaken in 2021-22.

Key elements of the system of internal control include:

- Formal strategies, policies and procedures including the Governance Framework, Matters Reserved for the Board, Risk Management Framework, Standing Orders, Scheme of Non-Financial Delegations, Financial Regulations and Scheme of Financial Delegations
- Arrangements for the identification and management of risk as set out in the Risk Management Framework and Risk Management Strategy. Risk registers are maintained and regularly reviewed to ensure the effective identification and management of risks at strategic, operational and project levels and
- Regular reporting of financial and operating performance to the Board, Audit, Risk and Growth Committee or the Customer Committee as appropriate.

The Board has reviewed the effectiveness of the system of internal financial controls in existence in CHA for the year ended 31 August 2021. Whilst the Board recognises that important elements of a comprehensive system of internal financial controls were not in place throughout the year ended 31 August 2021, no weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements.

Strategic Risks

The current key strategic risks identified by CHA are summarised below:

1. Breach of statutory health and safety legislation causing risk of harm to tenants
2. Breach of safeguarding legislation causing risk of harm to tenants
3. Failure to set rents and service charges in accordance with the Rent Standard and legislation
4. Underperformance of service providers impacting on quality of services to tenants and potentially causing risk of harm to tenants
5. Financial concerns resulting in an inability to fund discretionary spend, meet commitments as they fall due or to comply with third party agreements
6. Lack of organisational capacity including at Board and officer level to deliver the corporate plan and manage organisational risks
7. Poor quality management information and data
8. Failure to adequately manage and store sensitive and confidential data
9. Failure to satisfy stakeholder expectations
10. Failure to properly identify and classify housing stock
11. Losing existing contractual income or other revenue streams
12. Failure to secure sufficient housing stock to meet contractual commitments

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Uncertainties

There are several areas of uncertainty which could impact on the future financial performance of CHA. These include:

- The future course of the ongoing Coronavirus pandemic and the consequential economic impact
- The long-term consequences of Brexit
- Changes in Government approach and policy toward exempt supported housing
- Changes in expectations in relation to building safety and energy efficiency and
- Potential reductions in government spending, including in response to the fiscal impact of the pandemic.

Value for Money

In December 2020 CHA's Board approved its Value for Money Strategy 2020 – 2023. CHA defines Value for Money as the efficient use of CHA's available resources to achieve the organisation's objectives.

CHA considers its resources to consist of our homes, people, offices and financial resources.

CHA considers the achievement of its objectives to include the maximisation of social value which is defined in the Public Services (Social Value) Act 2012 as "looking beyond the price of each individual contract and looking at the collective benefit to a community. Social value asks the question: If £1 is spent on the delivery of services, can that same £1 be used, to also produce a wider benefit to the community?". CHA seeks to maximise social value through:

- Procurement of goods and services
- Delivery of services
- Use of local labour and
- Understanding what customers want through the use of customer insight and intelligence.

In seeking to optimise the achievement of its objectives, CHA considers three specific aspects of Value for Money:

- Economy: the minimisation of the cost of inputs to activities whilst having regard to the quality of those inputs
- Efficiency: the relationship between the outputs derived from activities and the inputs used to produce those outputs and
- Effectiveness: the extent to which objectives are achieved and the relationship between intended and actual impacts.

In optimising the achievement of its objectives, CHA balances the interests of, and commitments to, a range of stakeholders including its residents, staff members, partner local authorities, partner landlords, funders, the communities in which CHA works and the Regulator.

CHA's over-riding strategic objective in relation to Value for Money is to optimise the achievement of its objectives from available resources. Additional strategic objectives relating to Value for Money are:

- To deliver efficient and effective services which meet the needs customers
- To comply with the Regulator's Value for Money Standard and
- To embed Value for Money in CHA.

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The Regulator's Value for Money Standard which was published in April 2018 requires registered providers to publish evidence in the statutory accounts to enable stakeholders to understand the provider's:

- Performance against its own value for money targets and any metrics set out by the Regulator, and how that performance compares to peers and
- Measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

CHA's performance in relation to the metrics set out by the Regulator is shown in the table below.

Metric	Description	CHA actual 2020/21	CHA actual 2019/20
1.	Reinvestment %	7.2%	0%
2a.	New supply (social housing units) %	17.6%	95.2%
2b.	New supply (non-social housing units) %	34.4%	83.3%
3.	Gearing %	-630.4%	-199.4%
4.	EBITDA MRI Interest Cover %	68,269%	7,383%
5.	Headline social housing cost per unit	£8,306	£2,109
6a.	Operating Margin (social housing) %	0.9%	2.2%
6b.	Operating Margin (Overall) %	2.1%	3.2%
7.	Return on capital employed (ROCE) %	68.3%	73.8%

Metric 1 – Reinvestment %

This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of total properties held. CHA owns four properties. Several of these owned assets underwent a programme of refurbishment in 2021. There had been no requirement for reinvestment in the preceding year.

Metric 2a/2b – New Supply

For the purposes of these measures, CHA owns property when it: (a) holds the freehold title or a leasehold interest in that property; and (b) is the body with a direct legal relationship with the occupants of the property (the landlord). This definition is consistent with that used for the Regulator's annual Statistical Data Return (SDR).

Metric 2a – New Supply (social housing units) %

The new supply metric sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total social housing units owned at year-end.

Although the number of General Needs homes has remained constant over the two years, CHA's portfolio of Intermediate Rent units increased to ninety eight at 31 August 2021, an increase of eighteen in the year.

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Metric 2b – New Supply (non-social housing units) %

The new supply metric sets out the number of new non-social housing units that have been acquired or developed in the year as a proportion of total non-social housing units owned at year-end.

CHA's non-social housing stock grew very significantly during 2020 from 569 to 3,413 at 31 August 2020, with further growth to 5,199 at 31 August 2021 following the acquisition of additional homes in Birmingham, Bradford and Telford.

Whilst CHA is addressing the regulatory issues set out in the Governance section of this report, as noted elsewhere in this report the Board have taken the decision that 2021-22 will be a period of consolidation, with little or no growth expected in its housing portfolio.

Metric 3 – Gearing %

Gearing is the proportion of borrowing in relation to the size of the Association's asset base and assesses the degree of dependence on debt finance. Although reported this metric is not currently considered relevant since CHA does not have any debt finance or loan agreements in place. The movement in the reported gearing percentage reflects the movement in cash balances year on year.

Metric 4 – EBITDA MRI Interest Cover %

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a provider generates compared to interest payable. This measure works well for a property-owning organisation who are borrowing monies to fund new developments rather than the lease model. This measure has no value for CHA. The increase in interest cover arises as a consequence of the significant growth in CHA's revenues mentioned elsewhere in this report.

Metric 5 – Headline Social Housing Cost per Unit

The unit cost metric assesses the headline social housing cost per unit as defined by the Regulator. The principal cost driver for this metric for CHA is the level of lease rents payable to providers for its Intermediate Rent homes. The comparative movement in the cost per unit reflects the part-year impact of the acquisition of new homes on total lease payments in 2020 v's the full-year in 2021.

Metric 6a – Operating Margin (social housing) %

The operating margin demonstrates the profitability of operating assets. CHA's operating margin (social housing) has decreased as a consequence of the full year effect of lease rents payable to providers for its Intermediate Rent homes and a one-off rise in major repairs expenditure for its General Needs properties.

CHA's Board took the decision in early 2020-21 to remove the Intermediate Rent homes from its portfolio. It is expected that this will be completed prior to the end of the 2021-22 financial year.

Metric 6b – Operating Margin (overall) %

The operating margin demonstrates the overall profitability of operating assets. CHA's operating margin (overall) decreased in 2021 following significant investment in administrative costs during the year to develop CHA's internal infrastructure. Some of these costs are one-off in nature.

Metric 7 – Return on Capital Employed (ROCE) %

This measure compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. For CHA this metric is not particularly relevant as there are only four social housing properties owned.

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Looking Ahead

CHA's VFM Strategy encourages the whole team to consider cost effectiveness and efficiency across operations and helps CHA to manage resources more effectively. CHA has made significant progress in improving efficiency throughout the organisation, although the Board and Executive are fully aware that there are further improvements that can be achieved. The use of performance benchmarking against peer groups will be a key tool in the future to help CHA identify areas of comparative under-performance so that resources can be focussed to address any shortcomings in the most efficient and effective way. CHA will also consider how it can improve resident engagement in the scrutiny of its VFM metrics in the future.

Governance

In November 2020 CHA's Board adopted the National Housing Federation's Code of Governance 2020 which was published earlier that month. CHA had not previously adopted a code of governance. With the assistance of external advisors, CHA undertook self-assessments of compliance with the Code, which identified a number of areas of non-compliance and is now working toward full compliance by August 2023.

In February 2021 the Regulator placed CHA on its Gradings Under Review list. At the beginning of March 2021 CHA's Chair informed the Regulator that the findings of an internal audit review demonstrated that CHA was non-compliant with the Rent Standard and consequently also with the Governance and Financial Viability Standard.

Following further enquiries, in July 2021 the Regulator concluded that CHA was non-compliant with the governance and financial viability elements of the Governance and Financial Viability Standard. The full regulatory judgement has been published by the Regulator (www.gov.uk).

CHA's Board has since appointed Campbell Tickell as external advisors to assist the Board and the Executive to address issues identified in the regulatory judgement through a detailed improvement plan, which was subsequently approved by the Board at a meeting in December 2021.

In addition, there has been continued progress in addressing the investigation outcomes set out in the Regulators judgement, namely:

- Following its annual review of compliance with the rent standard, CHA's Board were able to report that it had moved to a position of full compliance with the standard by February 2022
- A significant amount of work has been undertaken to develop CHA's Business Plan, which will shortly be considered by the Board for approval
- Since the regulatory judgement CHA's Board has been strengthened by the appointment of a new Chair and two further members with substantial sector experience, and
- CHA's risk management and internal controls framework has seen continued development; since August 2021 two internal audit review reports have been considered by the Board each with at least a 'reasonable assurance' rating, with a further follow-up report demonstrating significant progress in delivering recommendation outlined in previous reports.

CHA's Board is committed to addressing all the areas of non-compliance and working with the Regulator to move to compliance as quickly as practicable.

Statement of the Board's Responsibilities in Respect of the Financial Statements

CHA's Board members are responsible for preparing the Board report and the financial statements in accordance with applicable law and regulations.

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Company law and social housing legislation require the Board members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of CHA and of the income and expenditure for the period of account.

In preparing these financial statements the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the organisation and enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008, the Housing SORP 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the organisation and to prevent and detect fraud and other irregularities.

Auditors

CHA is entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies for the year ended 31 August 2021.

However, CHA's Board have decided that it would represent good financial governance to undertake an external audit. Independent auditors, Crowe UK LLP, have been appointed following a competitive tender process. The financial year 2020-21 will be the first year in which an external audit has been undertaken on the financial statements.

Information for Auditors

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

By Order of the Board:

Signed:

Date: 17 February 2022



Adrian Bland
Chair

Independent Auditor's Report to the Members of Concept Housing Association CIC

Opinion

We have audited the financial statements of Concept Housing Association CIC (the "association") for the year ended 31st August 2021 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Except for the matter described in the qualified opinion section, in our opinion, the financial statements:

- give a true and fair view of the state of the association's affairs as at 31st August 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for qualified opinion

The income and expenditure recognised in the Statement of Comprehensive Income for the year ended 31 August 2021 are overstated. This is because there are no amounts for accrued income due from local authorities or accrued payments due to the support providers in the opening balances as at 1 August 2020. As at 31st August 2021 accrued income of £1,689,731 and accrued payments of £1,831,188 have been included in the financial statements. There were no systems in place as at 31st August 2020 to be able to reliably estimate what these numbers should have been and therefore there were no audit procedures that could be identified to provide a reliable estimate of the amounts that should have been included at this date and accordingly our opinion is qualified in respect of this matter. The comparative financial statements do not include any accrued income or expenditure.

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

Conclusions relating to going concern

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

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

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

Independent Auditor's Report to the Members of Concept Housing Association CIC (continued)

Other matter

The financial statement of the company for the year ended 31st August 2020 were unaudited, accordingly no audit opinion was expressed on those financial statements.

Other information

The Board is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

Arising solely from the limitation on the scope of our work relating to accrued income and accrued payments, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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 the Board

As explained more fully in the Board's responsibilities statement set out on pages 8 and 9, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report to the Members of Concept Housing Association CIC (continued)

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England. Our procedures include the consideration of compliance with the Governance and Financial Viability Standard. We also considered the risks of non-compliance with the other requirements imposed by the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of rental income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and substantive testing of key income streams.

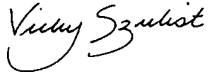
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations. A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Concept Housing Association CIC (continued)

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.



Vicky Szulist
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Manchester

28th February 2022

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Report and Financial Statements for the Year Ended 31 August 2021

Statement of Comprehensive Income

	Notes	2021 £	2020 £
Turnover	3	47,117,192	15,914,542
Operating expenditure	3	(46,112,232)	(15,408,430)
Operating surplus	5	<u>1,004,960</u>	<u>506,112</u>
Interest receivable and other income	6	2,820	665
Interest payable and similar charges	7	(5,882)	(6,926)
Surplus before taxation		<u>1,001,898</u>	<u>499,851</u>
Taxation	11	(190,361)	(93,426)
Total comprehensive income for the year		<u><u>811,537</u></u>	<u><u>406,425</u></u>

The Association's results relate wholly to continuing activities. The accompanying notes form part of these financial statements.



Adrian Bland

Chair

Company Registration No. 06682644



Jarnail Athwal

Board member

Concept Housing Association CIC

Report and Financial Statements for the Year Ended 31 August 2021

Statement of Financial Position

	Notes	2021 £	2020 £
Fixed assets			
Tangible fixed assets			
Housing properties	12	258,530	240,000
Other fixed assets	12	63,333	10,493
Total fixed assets		<u>321,863</u>	<u>250,493</u>
Current assets			
Debtors	13	2,067,184	24,244
Cash and cash equivalents		1,629,769	560,865
		<u>3,696,952</u>	<u>585,108</u>
Less current liabilities			
Creditors - amounts falling due within one year	14	(2,541,590)	(149,809)
Net current assets/(liabilities)		<u>1,155,362</u>	<u>435,300</u>
Total assets less current liabilities		<u>1,477,226</u>	<u>685,792</u>
Creditors			
Amounts falling due after more than one year	15	(31,142)	(82,246)
Provision for liabilities			
Liabilities arising from a review of social rents	16	(31,000)	-
Total net assets		<u>1,415,083</u>	<u>603,546</u>
Capital and reserves			
Income and expenditure reserve		1,295,408	483,871
Revaluation reserve	17	119,675	119,675
Total reserves		<u>1,415,083</u>	<u>603,546</u>

The accompanying notes form part of these financial statements.


The financial statements were authorised and approved by the Board on 17 February 2022.



Adrian Bland

Chair

Company Registration No. 06682644



Jarnail Athwal

Board member

Concept Housing Association CIC
Report and Financial Statements for the Year Ended 31 August 2021

Statement of Changes in Reserves

	Income and expenditure reserve £	Revaluation reserve £	Total £
Balance as at 31 August 2019	77,446	119,675	197,121
Surplus for the year	406,425	-	406,425
Transfer from revaluation reserve to income and expenditure reserve	-	-	-
Balance as at 31 August 2020	483,871	119,675	603,546
Surplus for the year	811,537	-	811,537
Transfer from revaluation reserve to income and expenditure reserve	-	-	-
Balance as at 31 August 2021	1,295,408	119,675	1,415,083

The accompanying notes form part of these financial statements.

Concept Housing Association CIC
Report and Financial Statements for the Year Ended 31 August 2021

Statement of Cash Flows

	2021 £	2020 £
Net cash flow from operating activities (see below)	1,229,967	498,726
Cash flow from investing activities		
Purchase of tangible fixed assets	(79,538)	(12,449)
Proceeds from disposal of tangible assets	-	-
Interest received	1,450	-
	<u>(78,088)</u>	<u>(12,449)</u>
Cash flow from financing activities		
Interest paid	(1,459)	(6,807)
Repayment of borrowings	(81,515)	(1,968)
	<u>(82,974)</u>	<u>(8,775)</u>
Net change in cash and cash equivalents	1,068,904	477,502
Cash and cash equivalents at the beginning of the year	560,865	83,363
Cash and cash equivalents at the end of the year	<u>1,629,769</u>	<u>560,865</u>
Net cash flow from operating activities		
Surplus for the year	811,537	406,425
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	8,168	2,504
Decrease/(increase) in trade and other debtors	(2,042,940)	188,967
Increase/(decrease) in trade and other creditors	2,422,192	(105,978)
Increase/(decrease) in provision for liabilities	31,000	-
Adjustments for investing or financing activities:		
Net gain from disposal of tangible fixed assets	-	-
Interest payable	1,459	6,807
Interest received	(1,450)	-
Net cash flow from operating activities	<u>1,229,967</u>	<u>498,726</u>

The accompanying notes form part of these financial statements.

Concept Housing Association CIC
Report and Financial Statements for the Year Ended 31 August 2021

Notes to the financial statements

1 Legal Status

Concept Housing Association (a Community Interest Company) is a private company limited by guarantee without share capital incorporated in England and Wales. The registered office is 8 Greenfield Crescent, Edgbaston, Birmingham B15 3BE.

It is a Registered Provider of social housing.

2 Accounting policies

2.1 Accounting convention

The financial statements of the association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

Concept is a public benefit entity in accordance with FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.2 Going concern

The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The Board has considered the impact of Covid-19 on its operations and has concluded that there is a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. No other significant concerns have been noted in the business plan updated for 2021/2022. Therefore, the Association's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future.

2.3 Turnover and revenue recognition

Turnover represents rental income receivable and other income. All incoming resources are included in the SOCI when the Association is legally entitled to the income and the amount can be quantified with reasonable accuracy.

2.4 Resources expended

Liabilities are recognised once there is a legal and constructive obligation that commits the Association to the obligation. Expenditure is recognised as goods and services are supplied. All resources are classified under activity headings that aggregate all costs related to the category.

2.5 Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Concept Housing Association CIC

Report and Financial Statements for the Year Ended 31 August 2021

2.6 Taxation

Concept Housing Association is a community interest company (CIC) limited by guarantee. It is a 'not for profit' company, this means that it does not operate for private profit.

Any profit generated is used to grow and develop its business which is benefiting an identified community, or goes directly to benefit that community.

A CIC is liable to corporation tax as a company. This applies to all its trading profits, investment income and any gains.

It's an asset locked body that must ensure any profits/assets are used for the benefit of the community.

Unlike a charity, a CIC is not entitled to any specific corporation tax exemption.

2.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

2.8 Retirement benefits

Concept operates the NEST defined contribution pension scheme. Contributions to the Association's defined contribution retirement benefit scheme are charged as an expense as they fall due.

2.9 Tangible fixed assets

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

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

Housing properties

Freehold land and structure	Nil
-----------------------------	-----

Other tangible fixed assets

Office fixtures and fittings	33% Reducing balance
Computers	33% Reducing balance
Office equipment	33% Reducing balance

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

The policy is subject to further review for the 2021-22 year in respect of both property structure and components following completion of a stock condition survey. Given the

Concept Housing Association CIC

Report and Financial Statements for the Year Ended 31 August 2021

number of Concept's owned properties (4 units), any depreciation charge would not be deemed to be material in nature.

2.10 Impairment of fixed assets

At each reporting period end date, the Association reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.12 Provisions for liabilities

Provisions are recognised when the association has a present obligation (legal or constructive) as a result of a past event, it is probable that the association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.13 Revaluation reserve

The difference on transition between the fair value of social housing properties and the historical cost carrying value is credited to the revaluation reserve. The difference between

Concept Housing Association CIC

Report and Financial Statements for the Year Ended 31 August 2021

historical cost depreciation and depreciation charged on the fair value balance is transferred from the revaluation reserve to the income and expenditure reserve.

2.14 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Identification of housing property components

The Association accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components and in determining the useful economic lives of each component.

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge.

Revaluation of social housing properties

The cost of purchasing an equivalent property on the open market is estimated based on a combination of the sales prices of similar properties in or near the same location, and the indexation of purchase values by the appropriate house indices as published by Land Registry.

Bad debt provision

A review of trade debtors is carried out on a periodic basis. A provision for the impairment of trade debtors is established when there is objective evidence that the Association will not be able to collect all amounts due. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be collectable.

2.15 2019-20 Comparatives

Following a period of growth, systems and procedures were improved during the year 2020-21. A review of financial information for 2020 enabled comparative figures to be adjusted and restated. The net impact has been an increase in Net Assets for 2019-20 of £11,056. This is judged to be immaterial.

2.16 Regulatory Judgement

The Regulator of Social Housing published an adverse regulatory judgement for CHA in July 2021. Further detail has been provided in the governance section on page 9 of the report.

Concept Housing Association CIC
Report and Financial Statements for the Year Ended 31 August 2021

3 Housing turnover and costs

	2021	2020
	£	£
3a. Social housing turnover and costs		
Rent receivable excluding service charges	854,792	181,251
Service charges receivable	-	-
Other revenue	-	-
Total Income from lettings	<u>854,792</u>	<u>181,251</u>
Social housing expenditure	(847,248)	(177,197)
Surplus/(deficit) from social housing activity	<u>7,544</u>	<u>4,054</u>
Rent losses from voids	7,282	3,795
	2021	2020
	£	£
3b. Non social housing turnover and costs		
Rent receivable for exempt supported housing	46,093,994	15,527,823
Other revenue	168,407	205,468
Total income from lettings	<u>46,262,400</u>	<u>15,733,292</u>
Non social housing expenditure	(45,264,984)	(15,231,233)
Surplus/(deficit) from non social housing activity	<u>997,416</u>	<u>502,059</u>
Total income from lettings	47,117,192	15,914,542
Total housing expenditure	(46,112,232)	(15,408,430)
Surplus/(deficit) from housing activity	<u><u>1,004,960</u></u>	<u><u>506,112</u></u>

Concept Housing Association CIC

Report and Financial Statements for the Year Ended 31 August 2021

4 Accommodation owned/managed

At the end of the year the accommodation in management for each class of accommodation was:

	2021			2020		
	Owned No.	Managed No.	Total No.	Owned No.	Managed No.	Total No.
Social housing						
General needs	4	-	4	4	-	4
Intermediate rent	-	98	98	-	80	80
Total social housing	4	98	102	4	80	84
Non social housing						
Supported/temporary housing	-	5,199	5,199	-	3,413	3,413
Total non social housing	-	5,199	5,199	-	3,413	3,413
Total accommodation owned and/or managed	4	5,297	5,301	4	3,493	3,497

The association defines managed accommodation as stock it holds on short-term leases of between two and five years; the exception being several properties in Bradford where CHA has entered into 10-year leases in furtherance of its strategy to move towards a more balanced portfolio of owned, short-term leased and long-term leased properties.

5 Surplus for the year

The operating surplus is arrived at after charging/(crediting):

	2021 £	2020 £
Is stated after charging:		
External Auditors remuneration		
In their capacity as auditors	40,080	-
In respect of other services	13,200	4,023
Operating lease payments		
Units managed	165,686	-
Other operating leases	75,809	46,810
Depreciation of fixed assets (Note 12)	8,168	13,243

Concept's statements for 2020 were not subject to external audit. Crowe UK LLP were appointed as external auditors and advisors for 2021 following a tender process.

The operating lease payments for units managed relate to a 10-year lease entered into with Bloom Social Housing for the provision of accommodation in Bradford in March 2021.

Concept Housing Association CIC
Report and Financial Statements for the Year Ended 31 August 2021

6 Interest receivable and other income

	2021	2020
	£	£
Interest receivable on bank deposits	1,450	-
Other income	1,370	665
	<u>2,820</u>	<u>665</u>

7 Interest payable and similar charges

	2021	2020
	£	£
On loans and mortgages	1,459	6,807
Bank charges	4,423	119
	<u>5,882</u>	<u>6,926</u>

8 Employees

	2021	2020
	£	£
Wages and salaries	738,033	184,653
Social security costs	57,778	36,908
Other pension costs	12,453	2,621
	<u>808,263</u>	<u>224,183</u>

The average monthly full-time equivalents (including the CEO) employed during the year was:

2021	2020
No	No
34	9

There were no members of staff whose remuneration exceeded £60,000 in 2020-21 or 2019-20.

Concept Housing Association CIC
Report and Financial Statements for the Year Ended 31 August 2021

9 Key management personnel

Key management personnel are defined as the Executive Team, comprising CEO, Director of Finance and Director of Operations. The aggregate remuneration charged in the year is:

	2021	2020
	£	£
Basic salary	97,276	56,057
Benefits in kind	8,928	5,436
Employers NIC	9,378	5,051
Pension contributions	110	-
	<u>115,692</u>	<u>66,545</u>

The highest paid director is the Chief Executive who received remuneration of £55,509 (2020: £34,987 – an increase to the amount disclosed in 2020 to incorporate the value of P11D cash equivalents). The CEO is not a member of the company pension scheme, no special or enhanced terms applied. The company made no further contributions to an individual pension arrangement. The CEO's remuneration is currently being reviewed by the Board.

The Director of Finance joined the association in July 2021. The post of Director of Finance did not exist in 2020.

During the year, the aggregate compensation for loss of office of key management personnel was £nil (2020: £nil).

10 Board members

Board members remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	25,853	-
Expenses	-	-
	<u>25,853</u>	<u>-</u>

Board member remuneration was introduced part-way through 2021. Payments to Board members is reviewed periodically and based on sector benchmarking data for comparable sized organisations.

11 Tax on surplus on ordinary activities

	2021	2020
	£	£
Surplus before taxation	<u>1,001,898</u>	<u>499,851</u>
Corporation tax at the standard rate	190,361	93,426

An estimation of the tax charge has been made for 2021.

Concept Housing Association CIC

Report and Financial Statements for the Year Ended 31 August 2021

12 Tangible fixed assets

	Social housing properties held for letting	Fixtures and fittings	Office equipment	Computer equipment	Total
	£	£	£	£	£
Cost					
As at 1 September 2020	240,000	21,139	50	2,547	263,736
Additions	18,530	19,600	807	40,601	79,538
Disposals	-	-	-	-	-
Revaluation gain/(loss)	-	-	-	-	-
As at 31 August 2021	258,530	40,740	857	43,148	343,274
Depreciation					
As at 1 September 2020	-	12,856	13	374	13,243
Charged in the year	-	2,712	114	5,342	8,168
Eliminated on disposal	-	-	-	-	-
As at 31 August 2021	-	15,568	127	5,716	21,411
Net book value					
As at 31 August 2021	258,530	25,171	730	37,432	321,863
As at 31 August 2020	240,000	8,283	38	2,172	250,493

The fair value of properties has been arrived at on the basis of a valuation carried out in 2017 by the directors based upon market evidence for similar properties.

13 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	326,628	-
Less: provision for bad and doubtful debts	(3,624)	-
Other debtors	-	24,244
Prepayments and accrued income	1,744,180	-
	<u>2,067,184</u>	<u>24,244</u>

Concept Housing Association CIC

Report and Financial Statements for the Year Ended 31 August 2021

14 Creditors – within one year

	2021	2020
	£	£
Trade creditors	204,479	-
Corporation tax	190,361	95,085
Other taxation and social security	20,913	-
Other creditors	84,847	39,804
Accruals and deferred income	2,040,990	14,920
	<u>2,541,590</u>	<u>149,809</u>

15 Creditors – more than one year

	2021	2020
	£	£
Bradford sinking fund	31,142	-
Bank loans	-	82,246
	<u>31,142</u>	<u>82,246</u>

The bank loan was repaid during 2021. The sinking fund has been set aside to cover maintenance costs associated with leased properties in Bradford.

16 Provision for liabilities

	2021
	£
Liabilities arising from a review of social rents charged:	
As at 1 September 2020	-
Addition to the provision in the year	31,000
As at 31 August 2021	<u>31,000</u>

In March 2021 Concept informed the Regulator of Social Housing that the findings of an internal audit review demonstrated that the association was non-compliant with the Rent Standard. The provision represents the Associations best estimate of the value of rent refunds due. Work is ongoing to contact former tenants, or local authorities where housing benefit payments were received, to ensure appropriate refunds are given.

17 Revaluation reserve

	2021	2020
	£	£
As at 1 September	119,675	119,675
Movement in the year	-	-
As at 31 August	<u>119,675</u>	<u>119,675</u>

Concept Housing Association CIC
Report and Financial Statements for the Year Ended 31 August 2021

18 Commitments under operating leases

	2021	2020
	£	£
The total of future minimum lease payments is:		
Within one year	241,496	46,810
Between two and five years	1,775,307	296,927
More than five years	1,744,587	48,779
	<u>3,761,390</u>	<u>392,516</u>

The leases relate to office space, office equipment, computers and vehicles, and a number of properties in Bradford leased under a non-cancellable operating lease for a 10-year period which commenced in March 2021.

19 Related party transactions

During the year the association entered into the following transactions with related parties:

	2021	2020
	£	£
Integra Interim Limited	37,029	-

Prior to the appointment of Stephen Duffill as permanent Finance Director, the association engaged with Integra Interim Ltd to provide consultancy support. Stephen Duffill is a director of Integra Interim Ltd.

	2021	2020
	£	£
Omnia Housing (Midlands) CIC	23,403	-

Prior to his appointment as a non-executive director of Concept Housing Association CIC (CHA) on 19 November 2020, Safaraz Ali was a non-executive director of Omnia Housing (Midlands) CIC, a provider of housing services to CHA (resigned 5 November 2020).

20 Member's Liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is 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.

CIC 34

Community Interest Company Report

For official use (Please leave blank)	
Company Name in full	CONCEPT HOUSING ASSOCIATION CIC
Company Number	06682644
Year Ending	31/08/2021

(The date format is required in full)

Please complete in typescript, or in bold black capitals.

Please ensure the company name is consistent with the company name entered on the accounts.

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a description of how they have benefited the community.

The organisations activities remain the same as in the previous year, carrying out a variety of community-based projects, including environmental improvements, community events and helping community groups to raise funds for projects. The organisation also managed and maintained in excess of 100 homes providing much needed social housing accommodation, with a further c5,200 homes offering supported housing accommodation for some of the most vulnerable people in our society.

The business continues to develop as part of a planned response to demand, working closely with local authorities to help combat homelessness. Communities continue to benefit as more people are provided with good quality accommodation and levels of homelessness have been reduced.

(If applicable, please just state "A social audit report covering these points is attached").

(Please continue on separate continuation sheet if necessary.)

PART 2 – CONSULTATION WITH STAKEHOLDERS – Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

The organisation's stakeholders include tenants, employees, the local community, local government authorities, bankers, suppliers, charities and referral agencies. For the 'community development work' there was regular communication with consultants and employees via various means, including a company website.

Housing management stakeholders were consulted as follows (not an exhaustive list):

- Tenants – we engage with them regularly during inspection and audit visits. Our contact details are clearly displayed in every property and we actively encourage tenants to contact us with any concerns or queries.
- Employees – engagement via corporate communication events, an open-door policy and regular staff appraisals.
- Local communities – regular communication with neighbours to maintain good relationships.
- Bankers – as above.
- Compliance organisations – we have adopted the NHF Code of Governance 2020 and strive to demonstrate compliance with the Regulator of Social Housing's standards in respect of our homes and governance. We have engaged with appropriately qualified contractors to help assess our health & safety provisions with qualified Fire Safety assessors to advise in this area.
- Suppliers – as far as possible we use local suppliers to benefit the local community and settle invoices promptly.
- Charities and referral agencies – we receive many referrals from such organisations and give and receive regular feedback on tenant's experiences.

(If applicable, please just state "A social audit report covering these points is attached").

PART 3 – DIRECTORS' REMUNERATION – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below.

Full details are provided in the accounts.

There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require disclosure.

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below.

No transfer of assets other than for full consideration has been made.

(Please continue on separate continuation sheet if necessary.)

PART 5 – SIGNATORY (Please note this must be a live signature)

(DD/MM/YY)

The original report must be signed by a director or secretary of the company

Signed



Date 17/02/2022

Please note that it is a legal requirement for the date format to be provided in full throughout the CIC34 report.

Applications will be rejected if this information is incorrect.

Office held (delete as appropriate) Director/Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Tel	
DX Number	DX Exchange

When you have completed and signed the form, please attach it to the accounts and send both forms by post to the Registrar of Companies at:

For companies registered in England and Wales: Companies House, Crown Way, Cardiff, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38
Linenhall Street, Belfast, BT2 8BG

(N.B. Please enclose a cheque for £15 payable to Companies House)