

St Basil's Annual Report and Financial Statements

Year ending 31 March 2023

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INFORMATION

BOARD

| | |
|---------------------------------|---|
| Helen Bates | (chair of the Business Support and Audit Committee) |
| Paul Cadman | |
| Maddie Dixon | resigned March 2023 |
| Steve Guyon OBE | resigned September 2022 |
| Feizal Hajat OBE | (chair of the Board of Directors) |
| Chris Miller | (chair of the Service Delivery and Development Committee) |
| Nil Neale | |
| Nimmi Patel | |
| Raj Ram | |
| Jean Templeton | (Chief Executive) |
| The Very Reverend Matt Thompson | |
| Chris Todd | resigned September 2022 |
| Vicki Stott | appointed September 2022 |
| Stephen Chance | appointed September 2022 |

CHIEF EXECUTIVE

Jean Templeton

REGISTERED OFFICE

Heath Mill Lane
Deritend
Birmingham
B9 4AX

CHARITY NUMBER

1080154

COMPANY NUMBER

03964376

REGULATOR OF SOCIAL HOUSING

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EXTERNAL AUDITOR

Beever and Struthers
The Colmore Building
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B4 6AT

BANKERS

Lloyds Bank Plc
3rd Floor
125 Colmore Row
Birmingham
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SOLICITORS

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

STRATEGIC REPORT for the year ending 31 March 2023

The Board present their report and the Strategic Report together with the financial statements for the year ended 31 March 2023.

St Basils

St Basil's is a Registered Provider of Social Housing, a registered Company and Charity providing a holistic range of accommodation and support services for young people aged 16-25 who are homeless, at risk or in conflict. We operate as a Psychologically Informed Environment.

Legal and Policy Context

St Basil's Ltd, hereafter referred to as St Basils, is governed by the Regulator of Social Housing (RSH) regulations and standards, Charity Commission rules, the Companies Act and the regulatory frameworks of service commissioners. In particular, this includes the Supporting People Quality Assessment Framework and other commissioner-specific standards. St Basils has no statutory obligation to provide services but many of the services provided are covered by legislation including Children Acts, which apply to all service provision for young people and children.

Our History

Since opening our doors in St Basils' church in Digbeth, Birmingham in 1972 to young men experiencing homelessness, we have maintained the same core objective – to prevent homelessness being part of growing up.

In the 50 years since then, we have extended our accommodation, support and prevention services across Birmingham and other parts of the West Midlands, including Solihull, Coventry, Sandwell, Walsall, North Worcestershire and Warwickshire.

We have not only dealt with the presenting needs of some 3,500+ young people each year, but have also invested in systemic change, developing the national Positive Accommodation and Support Pathways for young people in 2012, refreshed in 2015 and 2017 and more recently in 2019/20. We have invested in becoming a Psychologically Informed Environment since 2011 and now provide consultancy, training and support to many other organisations to assist them in improving their services. We have continually committed to ensuring that young people have voice and influence our own policies, priorities and services and since 2009 have been commissioned by national government to facilitate National Youth Voice, initially National Youth Reference Group and since 2013, National Youth Homeless Parliament, ensuring that government Ministers and those developing policies and programmes have the benefit of the lived experience of young people who have been homeless.

We have invested in accredited training and employability programmes and have piloted schemes such as our award winning Live and Work Programme to provide affordable, safe homes for young people where they can live, work, learn and earn without having to dual navigate a complex welfare benefits system.

Homelessness is rooted in poverty, inequality and exclusion and St Basils has consistently championed those who have not benefited from our mainstream systems. Tackling inequality and promoting inclusion and ensuring the diverse needs of young people are met, remains one of our six strategic priorities. Enabling young people to develop their talents and skills and grow their confidence to move towards study and work underpins our approach.

In 2022/23, 3,924 (4,062 21/22) young people sought our assistance, each one with their own experience, challenges, strengths and aspirations. Our job remains to work with them to remove the barriers which prevent achievement and to nurture their talent, skills and confidence to enable them to achieve their potential.

We will continue this work with young people, partners and supporters for as long as it takes.

Our Mission

"St Basils works with young people to enable them to find and keep a home, to develop their confidence, skills and opportunities, and to prevent homelessness".

Our Vision

Our vision for young people is that:

- ❖ Homelessness is not part of their experience of growing up
- ❖ There are integrated education, employment and housing pathways
- ❖ They are able to access the support and development opportunities they need to secure their futures and realise their potential

Our vision for St Basils as an organisation is that:

By 2022 we will be the leading provider of accommodation, support and psychologically informed services for young people across the West Midlands.

Our service developments will include:

- ✓ Increasing our bed spaces outside Birmingham and growing our services in new areas – *we have achieved significant growth in Coventry, Solihull, Worcestershire and Warwickshire*
- ✓ A nationally renowned centre of excellence for young people with complex needs - *opening of the Transitions Hub in Birmingham for serially excluded young people in June 2021*
- ✓ Extending our service offer to Care Leavers – *some 40% of young people we support are care experienced*
- ✓ Additional Live and Work schemes for young people engaged in education, training and work – *we have secured funding for phase 2 of our Youth Village in Sandwell and are committed to developing a scheme in Birmingham as well as promoting the model regionally and nationally.*

We will be the national lead for:

- ✓ Psychologically informed consultancy, training and reflective practice services – *we have delivered training, reflective practice and consultancy to over 3,000 participants both regionally and nationally. We have worked with approximately 860 members of staff ranging from frontline colleagues to senior managers, with over 22 different organisations, both statutory and non-statutory during 2022/23. Most of the PIE activities include training and reflective practice sessions which is undertaken in the West Midlands region, but we also deliver our PIE approach to people in the London Borough, East Anglia, Cheshire and beyond. Youth Voice engagement and support*

This Annual Report takes us to the end of the first quarter of 2023 and our review indicates that significant progress has been made in achieving the ambition for St Basils incorporated within our organisational Vision. During the year, we revisited our Vision for the five years ahead, building on progress made and considering the opportunities and challenges of our operating environment.

Our Business Plan includes our ambitions for the next period.

We are committed to:

- ❖ Preventing homelessness in the first place, through early intervention and flexible prevention work with young people and their families
- ❖ Extending and improving our services that assist young people in realising their potential
- ❖ Building on our local, regional and national reputation for excellence in youth homelessness

We will work towards our vision by:

- ❖ Working alongside other agencies
- ❖ Influencing and informing both strategic and service development locally, regionally and nationally
- ❖ Sharing the learning from our experience and evaluation of what works
- ❖ Ensuring young people are at the heart of all decision-making relating to their lives and futures.
- ❖ Having a skilled and highly motivated workforce which reflects the diverse community we serve

The more that young people can be engaged in deciding about their own lives, their environment, and their communities, the more likely they are to successfully move into independence. Our challenge is to create active not passive services which engage with the young person in co-creating a journey which provides both challenge and support. Increasingly we are focussing on developing skills and confidence which enable the young person to find a pathway to employment as this is more likely to enable them to secure their independence, increase their choices and avoid homelessness.

The framework for our vision encompasses:

- ❖ Services for young people

- ❖ Community engagement
- ❖ St Basils - a good place to work

Services for young people

We will continue to provide, improve and develop services, which meet a broad range of needs, responding to young people with high and complex needs but also developing prevention and early intervention services, which target young people before those needs are acute.

Community engagement

We believe it is not possible to provide services effectively to young people from diverse communities unless you reflect those communities at all levels within your organisation. We will promote and sustain our diversity by engaging with the diverse communities we serve as employers, service providers and contributors to local neighbourhoods. We will work with young people supporting and motivating them to play an active part in securing the future of their communities, promoting cross community cohesion and breaking down barriers which might exist.

St Basils - a good place to work

We recognise that our diverse, skilled and highly motivated workforce is central to our effectiveness. We will continue to ensure we have the skills and capacity to achieve our objectives by developing a reputation for quality standards, and by ensuring our employment and development policies and practices make St Basils a preferred place to work. The Board wishes to explicitly recognise the commitment and dedication of the staff team throughout this year, within a very complex and challenging environment.

Our Principles to work by

Our seven *Principles to Work by*, describe what we believe in and should help us describe what this means to all who work with us.

1. Young People First

This is at the heart of everything we do. By putting the needs and aspirations of young people as our top priority, we will ensure that our policies and practices assist them to secure their futures and realise their potential. We will recognise and promote their achievements and challenge negative images which create barriers and reinforce stereotypes.

2. Everybody Counts

We believe that everyone has an important contribution to make and a viewpoint which matters. We will adopt an open and inclusive approach which ensures that the views, ideas, beliefs, and interests of all our stakeholders are considered and dealt with in a respectful way.

3. Strength and Unity through Diversity

Our diversity is our strength and we are united in our purpose through a collective framework of principles and priorities. Like the pieces in a jigsaw, we are all different but only by fitting together, is the whole picture complete.

We believe that our different experiences, skills, and heritage better enable us collectively to respond to the individual needs and experiences of the young people who come to us.

4. Working and Learning with Others

St Basils recognises that in order to provide the best possible services for young people we must work with others who have specific knowledge, skills, and expertise in areas where we do not. Within our organisation and in our dealings with external partners, we believe we can make a greater difference when working together. We will also share our learning of what works and what doesn't and learn from the experience of others.

5. Delivery and Effectiveness

It is essential that we are able to demonstrate our effectiveness and that we 'do what we say we're going to do'. If we claim that 'St Basils works...' we have to be prepared to evidence the outcomes of what we do. Our commitment to continuous improvement means that we must constantly question our effectiveness and strive to improve our services and evidence the impact of what we do from our customers' perspective.

6. Accountability

We are individually and collectively accountable for our work and the promotion of St Basils' objectives and principles. We recognise the balance between rights and responsibilities and encourage accountability for the promotion of both. We recognise our range of accountabilities to all our stakeholders and seek to be consistent and open in their delivery. We are regulated and inspected by a range of external organisations and welcome this as an opportunity to examine ourselves and check that we continue to deliver.

7. Forward Thinking

To work with young people means that you have to be prepared to work in a constantly changing environment. Needs, experiences, and aspirations change. We believe that we must not only deal with young people's needs as they present themselves today but also plan and develop services which will meet future needs. It is our intention therefore to remain at the 'cutting edge' of services for young people in order to assist them to break down barriers preventing them from achieving their ambitions.

Principal Activities and Geographical Coverage

St Basils is one of the largest organisations working with young people who are homeless or at risk in the country and is the largest regional organisation of its kind. At the 31st March 2023, the organisation operated over 42 sites in Birmingham, Coventry, Sandwell, Solihull, Warwickshire and North Worcestershire providing 603 units of accommodation and a range of prevention, early intervention and support services. In addition, we facilitate national Youth Voice through a range of engagement mechanisms. Following the final national Youth Homeless Parliament on 29th March 2022, we have secured funding during the current year from LandAid and The Berkely Foundation to continue with a national Youth Voice programme.

St Basils has long recognised that providing accommodation alone is an inadequate response to the combination of factors associated with youth homelessness. Our services therefore aim to provide a holistic response based on individual need and experience. 3,924 young people sought assistance from St Basils during 2022/23 and 1,675 received support from us including 1,123 who lived in our accommodation during the year.

During 2022/23, we have worked with a range of commissioners to provide services to young people leaving care, young offenders and those with substance misuse issues. During 2019, the majority of our commissioned services were re-tendered, and we successfully secured contracts for services in all our existing areas of delivery, extending to South Warwickshire. Many of these contracts will either be re-tendered or extended during the next year. We have operated as a Psychologically Informed Environment (PIE) since 2011. Thanks to funding from the Monday Trust between 2014 and 2020 we have been able to develop, embed and learn from our PIE approach and share that learning with others. Our partnerships with our local mental health Trusts and the University of Birmingham have enabled us to extend our reach, securing further funding during 2022/23 to deliver training and reflective practice to multiple organisations.

Birmingham

St Basils has been commissioned by Adult Social Care to deliver services for young people in Birmingham. We have directly delivered housing related support across our 379 accommodation units in Birmingham and continued with our very successful supported lodgings service for Care Leavers, and unaccompanied asylum-seeking children. St Basils, working with Birmingham City Council, has been commissioned to deliver the Homelessness Reduction Act 2017 (HRA). The St Basils team assists with prevention and relief duties to young people from the Birmingham Youth Hub. The data for 2022/23 reflects the fifth year of delivery of HRA services. During the year 2,534 young people were referred to our nationally renowned Youth Hub. In December 2019, the Birmingham Youth Hub was commissioned to deliver the Advice and Wellbeing Hub for young people in Birmingham, to deliver holistic, person centred advice and guidance to young people. Of the 2,534 referrals, 1,554 (61%) received an assessment and an Advice and Wellbeing service. Where needed, those assessed also received a statutory assessment under the HRA, which saw 81 young people receiving a Prevention Duty (retaining current accommodation) and 432 received a Relief Duty (found alternative accommodation).

The Youth Hub is the single point of referral to commissioned providers and 869 young people were newly referred to St Basils' accommodation in Birmingham from the Youth Hub.

815 young people lived with us in Birmingham in 2022/23 and 85% of those who moved on, did so in a planned positive way.

North Worcestershire

During 2022/23, we continued to deliver housing related support in Redditch, Kidderminster and Bromsgrove in North Worcestershire. The North Worcestershire team provided support to 159 young people during the year with 93% of those who moved on from St Basils accommodation did so in a planned positive way.

During the year we have continued to develop the supported lodgings scheme in North Worcestershire with 100% positive planned move-ons.

Solihull

St Basils was successful in the retendering process from Solihull Council for the provision of a Youth Pathway Service to provide housing related support through a floating support service and accommodation based service in Solihull. The Pathway model which also includes the Solihull Youth Hub works in partnership with the Local Authority to deliver services under the Homeless Reduction Act (HRA) to provide a range of homeless prevention, housing advice and support services to prevent crisis homelessness and reduce the flow of youth homelessness.

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During the year 420 young people were referred to our Solihull Youth Hub, 196 received full assessment under HRA with 72% receiving prevention duty (retained current accommodation) and 28% requiring a relief duty to find alternative accommodation

The Solihull Youth Hub continues to function as the single point of access into commissioned providers, and also refers to RSL and Private Landlords through our Rent Deposit Scheme.

The Solihull Team provided support to 154 young people during the year including 95 in accommodation services, 52 through floating support and 7 through supported lodgings. 90% of those who moved on from St Basils accommodation did so in a planned positive way.

Sandwell

During 2022/23, we continued to deliver our ground-breaking and award winning Live and Work scheme in Sandwell, first developed in 2015/16 in partnership with Sandwell and West Birmingham NHS Trust. The scheme provides young apprentices and young workers with student style accommodation for a rent of £45.63 per week which enables them to live and work and be benefit free. 46 young people lived in our Live and Work scheme during the year, all working and none claiming welfare benefits. 100% of those who moved on from our accommodation in Sandwell did so in a planned positive way.

During the year we have been working with LandAid, Homes England, Sandwell MBC and have secured £3.2 million capital funding to enable us to start development of phase 2 of our Youth Village concept for young workers, which will provide 54 self-contained apartments for young workers at rents below local housing Allowance levels. The development is expected to be complete by February 2024.

St Basils Family Mediation Service working in partnership with Sandwell Housing Solution Team / Prevention Service, has worked with 254 young people during the financial year of 2022/23. 135 young people remained within the family home and 101 were supported with a planned move, either into Supported Accommodation, their own Council Tenancy or Private Rented Accommodation; as a result, this has improved relationships / re-established contact with family and friends.

Coventry

We are hugely grateful to Heart of England Charitable Trust who awarded us charitable funding which, alongside funding from Homes England and a partnership with Citizen Housing, enabled us to purchase and complete planned refurbishment of a former sheltered housing scheme, providing 32 self-contained units of supported accommodation for young people in Coventry. Completion took place in November 2020 and the scheme was renamed Lorna Esien Court in memory of our much-respected former Deputy Chief Executive Lorna Esien.

Our services supported 215 young people in Coventry to find and keep accommodation. 84% of those who moved on from St Basils accommodation did so in a planned positive way.

Walsall

We have continued to provide PIE Training and reflective practice sessions in Walsall.

Warwickshire County Council

During 2019/20, services in Warwickshire were re-tendered and we secured continuation of existing services across the County for housing related support and prevention services. In addition, we secured the contract to provide accommodation-based services in South Warwickshire. We continue to work in partnership with Doorway, a local organisation working in the north of the County, to deliver support across the 5 District Councils of Stratford upon Avon, Warwick, Rugby, North Warwickshire and Nuneaton and Bedworth. During the year 2022/23, we have supported 296 young people in Warwickshire. 87% who moved on did so in a planned positive way.

Youth Voice - National Youth Reference Group and Youth Homeless Parliament

We have been funded by the Department for Levelling Up, Housing and Communities (DLUHC) to facilitate and support the National Youth Reference Group (NYRG) since 2008 successfully completing a 14th year in 2021/22. This is a group of young people from around the country who have experienced homelessness and who work together to inform and influence policy makers and service deliverers to optimise service effectiveness. The group has had a significant impact nationally and are unique in their contribution to service development. Initially intended to be a 6 month legacy project, Youth Voice are now firmly embedded in national influencing structures.

National Youth Homeless Parliament took place virtually on 29th March 2022 and was attended by Eddie Hughes MP, Parliamentary Under-Secretary of State for Rough Sleeping and Housing. Government funding has not been continued for national youth voice. The importance of the voice of young people who have experienced homelessness was however recognised by partners and during 2022 we worked with LandAid and The Berkeley Foundation who have funded a 3 year Youth Voice programme commencing 2023.

Accommodation and Support Services

Our stock condition and Asset Management Strategy inform our priorities, which continue to focus on health and safety measures, including any recommended fire prevention works. As a result of retendering, the specification for our accommodation services has changed in some cases. We have additional bed spaces for young people with complex needs and in June 2021 were commissioned to provide a ground-breaking Transitions Hub for serially excluded young people in Birmingham. This work is ongoing.

Our accommodation and support services include:

- ❖ Emergency accommodation including Nightstop accommodation (young men, young women and mixed)
- ❖ Range of longer stay accommodation (up to 2 years), some having on-site 24 hour support, and some with flexible support to meet the needs of the young people living there
- ❖ An accredited Foyer (Accommodation plus Education) for young people and young families
- ❖ Places of Change scheme with accommodation-based support
- ❖ Accommodation with support for young mothers and babies
- ❖ Move-on accommodation with support for young parents
- ❖ Neighbourhood based accommodation with support for young people
- ❖ Eight Starter Homes for working young people
- ❖ 'Live and Work' scheme for young apprentices and young workers
- ❖ Foyers in Birmingham, Bromsgrove, and Kidderminster
- ❖ Supported Lodgings for Care Leavers, young homeless people and unaccompanied asylum-seeking children
- ❖ Access to Private rented options in north Worcestershire, Coventry, Solihull, and Birmingham
- ❖ Cross tenure Floating Support for young people leaving St Basils accommodation and those in Local Authority/ Social Landlord tenancies who are assessed as at risk by the landlord.
- ❖ A Young Workers cooperative
- ❖ A multi-agency Residential and Community service in Birmingham for serially excluded young people

Non-Accommodation based services:

- ❖ Youth Hub - Multi-Agency Single Point of Access in Birmingham
- ❖ Youth Hub - Multi-Agency Single Point of Access in Solihull
- ❖ Leaving Care Accommodation Pathways Planning service
- ❖ Youth Offending Accommodation Pathways service
- ❖ Rough Sleepers Outreach Navigation service
- ❖ Prevention Services:
 - Family Support, Mediation and Advocacy Service
 - Peer education project
 - Positive prevention project in Coventry
- ❖ Employability Service
 - Access to Life skills training and accreditation
 - Access to work experience, mentoring and coaching
 - Access to bespoke training and development
 - Access to My Strengths Training (MST4Life)
 - Access to bespoke Employability programme #YouCan
- ❖ Supporting Youth Involvement and Youth Voice including:
 - Youth Engagement Structures and support
 - Rooms to Talk consultation panels
 - National Youth Voice
 - Youth Board Members
- ❖ Access to extended range of specialist services through partnership network
- ❖ Creative Arts and Sports opportunities
- ❖ Training, Strategic Advice and Consultancy support specifically PIE training and reflective practice

Charity Fundraising

St Basils is registered with the Fundraising Regulator and committed to the regulatory standards for fundraising. St Basils fully complies with the code of conduct. Any fundraising that is conducted by St Basils follows the guidance set out in the code and anyone who takes part in any fundraising on our behalf is encouraged to do the same. St Basils are also a member of the Institute of Fundraising and attend many of their seminars and events to enhance our expertise.

St Basils has an annual income of over £15 million and over 6% of this comes from charitable giving. St Basils's fundraising has 7 main sources - general public, corporates, trusts, education establishments, clubs, faith groups and legacies. St Basils's main focus for fundraising is through trusts and grants, event fundraising and "charity of the year" partnerships. St Basils occasionally receive some legacy giving but this is rare. St Basils does not use the services of professional fundraising firms to raise funds for the charity. St Basils does not run a lottery or have charity shops.

Fundraising in a post pandemic world does continue to present certain challenges. Event sign ups had been down in the first part of the year, and we were noticing a reduction in financial support across our revenue streams. As a result, we reviewed our financial target as we were unsure we would be able to achieve the fundraising target of £1.2 million. However, in the latter half of the year things substantially improved. Signups for our flagship events are now close to pre Covid levels, many of our corporate partners (many of whom have had to adapt to an ever-changing working dynamic) began to donate like they once did and the initial shocks from the cost-of-living crisis began to subside. As a result, St Basils had its best fundraising year (in relation to cash) in 2022/23.

It must be noted that we did receive substantial support from one trust in particular and an unexpected legacy payment was also received during the year. This was a major contributing factor for the record amount of cash raised. And, whilst the impact of the cost-of-living crisis hasn't been felt as such by St Basils, it will continue to be a key focus in 2023/24.

We are grateful to all of our supporters at St Basils and would not be able to carry out much of the work we do without them. There have been many who have made donations of £5,000 or more, noting that some donors have selected to remain anonymous. We are grateful to them all. Donors of £5,000 or more are listed in alphabetical order below.

29th May 1961 Charitable Trust

Big Lottery Fund

End Youth Homelessness

Garfield Weston Foundation

HSBC Bank

Iizuka

Irwin Mitchell Charitable Foundation

Jabbs Foundation

Janet Nash Charitable Trust

LandAid Charitable Trust Ltd

Lloyds Bank

The Mace Group Foundation

Network Ventures

Oundle School

Ove Arup Foundation

Sisk Group

Progress in Achieving Key Service and Performance Objectives in 2022/23

Positive outcomes and planned move-on from St Basils

We know that one of the important factors in whether young people make a success of sustaining accommodation in the long term is a planned approach to accessing move on accommodation. It is also a reliable indicator as to whether young people have engaged with the support process. During 2022/23, 85% of departures from St Basils were made in a positive planned way in Birmingham, 93% in North Worcestershire, 90% in Solihull and 84% in Coventry. This has been achieved whilst continuing to work with young people with complex needs and in some areas for a shorter timescale. 52% of those accommodated in Birmingham were aged 16-19; 77% in North Worcestershire and 54% in Solihull. The Life Skills programme and the move-on process have helped us to maintain this level of positive move on.

Our strategic priorities for 2022/23 were:

1. Provision of good quality accommodation which meets the needs and raises the aspirations of young people
2. Provision and development of prevention and support services which meet the diverse needs of young people
3. Young people fully involved in setting standards, identifying priorities and monitoring services
4. St Basils- a good place to work
5. Challenging discrimination and promoting diversity and cohesion through employment, service delivery and community engagement
6. Optimising resources to achieve our strategic objectives

During 2022/23, we made progress in the following areas:

Strategic Priority 1

'Provision of good quality accommodation, which meets the needs and raises the aspirations of young people'

- ✓ Commenced phase 2 of our Live and Work scheme in Sandwell (Young Workers Village) creating additional 54 self-contained studio apartments for young workers who have experienced or are at risk of homelessness.
- ✓ Implemented our planned maintenance and major repairs programme, including fire prevention and detection upgrades
- ✓ Started Fundraising and work with partners to secure resources and a building to develop a Live and Work scheme in Birmingham as our major 50th Anniversary capital project
- ✓ Progressed opportunities to increase our housing stock in order to meet need including move on.
- ✓ Progressed our Asset Management Strategy commitments and update following our stock condition survey
- ✓ Continued to seek alternative stock in Warwickshire
- ✓ Developing our Housing Strategy and landlord function in line with best practice and regulatory requirements

Strategic Priority 2

'Provision and development of prevention and support services which meet the diverse needs of young people'

- ✓ Developed our Employability Strategy and commenced preparation for regulatory reform, including Ofsted.
- ✓ Continued to develop our Pathway models and work with LAs and partners to implement
- ✓ Secured funding for the development of a Youth Hub in Coventry
- ✓ Worked with Birmingham City Council on the roll-out of Early Intervention and Prevention across all services
- ✓ Extended and developed our partnerships with education and employment sector to ensure young people have pathways into education and employment and we are able to support both young people and employers
- ✓ Ensured young people have access to Employability and Lifeskills Programmes in a consistent way
- ✓ Delivered contractual services and optimised outcomes for young people
- ✓ Continued to deliver Homelessness Reduction Act services in both Youth Hubs

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- ✓ Reviewed our services for Care Leavers and committed to preparing for Ofsted registration for 16-17 year old Care Leavers; Worked with Care Leaver Covenant and partners and Youth Voice
- ✓ Implemented learning from the Transitions Hub fulfilling our ambition to develop a residential Assessment and Well-being Centre for young people with complex needs.
- ✓ Extended PIE training to additional organisations

Strategic Priority 3

'Young people fully involved in setting standards, identifying priorities and monitoring services'

- ✓ Secured funding for national Youth Voice enabling young people to continue to influence policy, service development and delivery
- ✓ Implemented our internal Youth Voice engagement and structures and embedded our Youth Standards
- ✓ Supported Youth Advisory Board and ensure close links to our governance structures.
- ✓ Supported ongoing development and learning from Gillott Road Co-operative
- ✓ Continued to expand employment and volunteering opportunities for young people
- ✓ Engaged young people in developing Youth Village and considering further opportunities for Live and Work schemes

Strategic Priority 4

'St Basils – A good place to work'

- ✓ Continued to embed new structure based on 'franchise' style model, where local teams have a degree of autonomy and responsibility, within a supportive common framework, including:
 - Common policies
 - Common systems
 - Performance management
 - KPI's
 - Development of skills matrix
- ✓ Provided data and analytical support through Performance Hub
- ✓ Adapted to hybrid and flexible agile working using lessons from Covid
- ✓ Payment of consolidated inflationary increase awarded
- ✓ Cross-organisation Cost of Living Task group looked at how we can address challenges for young people, colleagues, St Basils as a whole and also our local communities

Strategic priority 5

'Challenging discrimination and promoting diversity and cohesion through employment, service delivery and community engagement'

- ✓ Secured additional support to implement the Race Equality Code of Governance Action Plan
- ✓ Developing an EDI Strategy and action plan and reviewing the role and capacity of our EDI group
- ✓ Placed employability support within reach for all young people at St Basils
- ✓ Worked with partners across the region to develop employment opportunities for young people
- ✓ Continued to inform government and decision -makers of implications of welfare issues for young people
- ✓ Commissioned research on challenges young people face in supported housing when working- 'Living or Surviving'¹
- ✓ Promoted affordable, safe housing options which underpin engagement in education, training, and employment for young people
- ✓ Continued to develop, extend and promote Lifeskills, PIE and MST4Life for young people, adopting new accreditation
- ✓ Continued to ensure our pathways for staff and young people provide equal opportunities for learning, development, and progression.

Strategic Priority 6

'Optimising resources to achieve our strategic objectives'

- ✓ Continued to use and improve analytics to drive continuous improvement
- ✓ Implemented Financial plan – Work to improve cash reserves and margins and return to our "Golden Rules" on:

¹ [Living or Surviving? – Benefits, barriers, and opportunities for young people transitioning out of homelessness \(stbasils.org.uk\)](https://stbasils.org.uk)

- Margin
- Cash days
- Borrowing
- ✓ Sustained our fundraising within the challenging context of inflationary challenges
- ✓ Achieved better than budgeted margin
- ✓ Achieved the ability to improve pay offer and investment in Asset Strategy within the context of very challenging circumstances
- ✓ Worked with commissioners and partners to optimise outcomes with fair funding
- ✓ Where appropriate worked with other partners to reach national funders
- ✓ Continued to secure contracts through tendering process which meet our objectives and values and are financially sustainable
- ✓ Maximised opportunities through our 50th Anniversary

During 2023/24, we aim to make progress in the following areas:

Strategic Priority 1

'Provision of good quality accommodation, which meets the needs and raises the aspirations of young people'

- Complete phase 2 of our Live and Work scheme in Sandwell (Young Workers Village) creating additional 54 self-contained studio apartments for young workers who have experienced or are at risk of homelessness.
- Update our stock condition survey and implement our planned maintenance and major repairs programme, including fire prevention and detection upgrades
- Secure additional accommodation units in Birmingham to replace Conybere Gardens when the lease ends.
- Secure resources including a building to develop and Live and Work scheme in Birmingham as our major 50th Anniversary capital project
- Progress opportunities to increase our housing stock in order to meet need including move on.
- Progress our Asset Management Strategy commitments and update following our stock condition survey
- Develop our Housing Strategy and landlord function in line with best practice and regulatory requirements
- Complete energy retrofit assessments and technical surveys on the entirety of our owned/long leased portfolio to quantify the cost of reaching EPC C by the government's target date and net zero by 2050.
- Maximise grant funding to support the delivery of energy retrofit measures
- Deliver a net zero strategy

Strategic Priority 2

'Provision and development of prevention and support services which meet the diverse needs of young people'

- Develop our Progression Strategies
- Open Youth Hub in Coventry
- Consider areas to develop within our Pathway models and work with LAs and partners to implement
- Extend and develop our partnerships with education and employment sector to ensure young people have pathways into education and employment and we are able to support both young people and employers
- Ensure young people have access to Employability and Lifeskills Programmes in a consistent way
- Deliver contractual services and optimise outcomes for young people
- Continue to deliver Homelessness Reduction Act services in both Youth Hubs and work with Coventry CC to offer service in Coventry
- Extend services for Care Leavers and prepare for Ofsted Regulation
- Implement learning from the Transitions Hub fulfilling our ambition to develop a residential Assessment and Well-being Centre for young people with complex needs.
- Develop PIE accredited services and reach, extending PIE delivery by at least one significant contract

Strategic Priority 3

'Young people fully involved in setting standards, identifying priorities and monitoring services'

- Explore means of funding Youth Voice and providing opportunities for young people to influence policy, service development and delivery
- Implement our internal Youth Voice engagement and structures and embed our Youth Standards
- Implement the action Plan from Youth Standards Review
- Support Youth Advisory Board and ensure close links to our governance structures.

ST BASIL'S (Limited by Guarantee)

- Ensure the RSH Tenant Satisfaction Measures (TSMs) are embedded, collected and published as required from April 2023
- Support ongoing development and learning from Gillott Road Co-operative
- Review opportunities for supportive living schemes with peer support
- Continue to expand employment and volunteering opportunities for young people
- Engage young people in developing Youth Village and Birmingham Live and Work scheme

Strategic Priority 4

'St Basils – A good place to work'

- Continue to embed new structure based on 'franchise' style model, where local teams have a degree of autonomy and responsibility, within a supportive common framework, including:
 - Common policies
 - Common systems
 - Performance management
 - KPI's
 - Development of skills matrix
- Roll out strengths-based leadership and development plan based on Talent pool approach
- Provide data and analytical support through Performance Hub
- Review investment requirements in remote and agile working using lessons from Covid
- Extend Volunteering opportunities and recruit Volunteers
- Payment of consolidated inflationary increase considered within budget subject to affordability
- Progress St Basils as a development organisation; providing access to traineeships and professional qualifications

Strategic priority 5

'Challenging discrimination and promoting diversity and cohesion through employment, service delivery and community engagement'

- Implement the Race Equality Code of Governance Action Plan
- Work with EDI Task Group and use data from Performance Hub to inform service review and improvement
- Place employability support within reach for all young people at St Basils
- Work with partners across the region to develop employment opportunities for young people
- Inform government on implications of welfare issues for young people
- Promote affordable, safe housing options which underpin engagement in education, training, and employment for young people
- Promote Lifeskills, PIE and MST4Life for young people
- Ensure our pathways for staff and young people provide equal opportunities for learning, development, and progression.

Strategic Priority 6

'Optimising resources to achieve our strategic objectives'

- Achieve our objective of developing 'Brilliant Basics'
- Continue to use and improve analytics to drive continuous improvement
- Implement Financial plan – Work to improve cash reserves and margins and return to our "Golden Rules" on:
 - Margin
 - Cash days
 - Borrowing
- Set and achieve fundraising targets within the context of Cost-of-Living pressures
- Achieve value for money targets, including Regulatory requirements
- Pursue ability to improve pay offer and investment in Asset Strategy
- Work with commissioners and partners to optimise outcomes with fair funding
- Where appropriate work with other partners to reach national funders
- Continue to secure contracts through tendering process which meet our objectives and values and are financially sustainable
- Explore Income generation options
- Continue to optimise opportunities through our 50th Anniversary
- Develop a longer-term capital strategy

Governance and Reporting Structures

St Basils Board is supported by three committees: the Service Delivery & Development Committee, the Business Support & Audit Committee, and the Nominations Committee. In addition, the Board works collaboratively with our Youth Advisory Board (YAB), members of which are current St Basils service users. Each committee has a lead reporting officer and links to our Senior Leadership Team and the main Board. In addition to the usual programme of quarterly meetings, the Board has an extended session in October to look at Business Planning and Strategy. Members of the YAB considered their preferred engagement with the main St Basils Board and recommended that 2 young people who have progressed through St Basils be appointed as co-opted Directors on St Basils' main Board. St Basils listened to this recommendation and 2 of the 14 Board member roles are designated for young people.

Our approach to governance, risk management and internal control is reviewed annually by our internal auditors and recommendations for best practice are implemented.

For the financial year ending 31 March 2023 we adopted and complied with the NHF Code of Governance 2020 with the following exception:

- Article 21.1 of St Basils Articles of Association states 'The Board shall consist of between seven and fourteen Directors (including Co-opted Directors). This takes precedence over the NHF Code of Governance.
- The Articles of Association enable Directors to serve for no more than 9 consecutive years. It is noted the Code of Governance states that Directors should serve no more than 6 years. The Articles take precedence over the Code, Directors believe it to be in the wider interests of St Basils to support Directors serving no more than 9 years should they wish to. Therefore, the Articles are not being amended to reflect this.

Value For Money Statement

The Regulator of Social Housing (RSH) operates a Regulatory Framework which registered providers must comply with. The framework sets out five customer consumer standards and three economic standards, which includes a Value for Money (VfM) Standard. This standard was last revised in 2018 and St Basils is operating and reporting in line with its requirements.

Our method of achieving VfM is summarised in our VfM Strategy as follows:

Working towards our 6 strategic priorities provides the basis for achieving Value for Money (VfM) within St Basils.

The desired outcomes for young people, our staff and our contract partners covered in the first 5 priorities are balanced by the 6th priority of optimising our resources to achieve our strategic objectives.

St Basils is continually striving to improve VfM across the organisation through embedding a VfM culture. Some of the key methods used to achieve this are listed below:

1. Reporting to the Board using relevant KPIs that are aligned to our 6 strategic priorities
2. Continuous development and review of metrics and KPIs to ensure any areas for improvement are identified
3. Setting up effective systems and structures for continuous improvement so opportunities to reduce costs and/or improve outcomes are applied across the organisation
4. Implementing a more robust procurement process for purchasing and contract management
5. Working with our internal auditors to ensure any opportunities for improving VfM identified during audits are implemented

We have adopted a simple approach to evaluating and delivering VfM which is proportionate to the size of the organisation and delivers key messages which can be understood by all stakeholders. Our Business Plan identifies what we aim to achieve each year in relation to these strategic priorities. Our colleagues, young people and partners are involved in reviewing and delivering our strategic priorities.

We have set out our approach in the VfM strategy using a simple framework identifying what we will do to achieve VfM; how we will set about this; the impact we intend to achieve and the subsequent actions we have taken or will take to improve based on our learning.

To achieve the economic aspect of Vfm, St Basils seeks to operate within the context of the following three financial rules.

| Description | Rule | 19/20 Actual | 20/21 Actual | 21/22 Actual | 22/23 Target | 22/23 Actual | 22/23 Benchmark |
|---------------------|--|--------------|--------------|--------------|------------------------|--------------|-----------------|
| Margin | Historically set at 3%, the Board agreed an amendment to this rule during the year due to the uncertain economic environment. The target is now to make a surplus. | 2.7% | 4.7% | 1.0% | Surplus | 1.8% | 20.3% |
| Cash days | Maintain cash reserves sufficient for a minimum of 2 months (60 days) | 56 | 98 | 102 | 60 throughout the year | 125 | n/a |
| Borrowing / gearing | Loan coverage to be a minimum of 200% (covenant requirement) | 3,629% | 4,229% | 2,142% | 200% | n/a | n/a |

Following the repayment in full of the housing loan held with Unity Bank, the borrowing / gearing financial rule is not applicable to the 2022/23 year-end.

In addition to the above targets, the RSH published Vfm metrics in 2018/19 to be set as targets, and then monitored and reported in our financial statements. St Basil's performance for each metric is shown in the table below, with the target metrics being St Basils' budget set at the start of the year.

| RSH Ref | Description | 19/20 Actual | 20/21 Actual | 21/22 Actual | 22/23 Target | 22/23 Actual | 22/23 Benchmark | Narrative |
|---------|--------------------------------------|--------------|--------------|--------------|--------------|--------------|-----------------|--|
| 1 | Reinvestment | 6.0% | 10.6% | 1.7% | 3.8% | 1.3% | 9.8% | Due to changing circumstances at a particular project, the capital plan was revised mid-year |
| 2a | New supply, social housing units | 10.5% | 8.6% | 1.8% | 0% | 0% | 3.1% | No new social units (owned) were developed or acquired during the year. |
| 2b | New supply, non-social housing units | n/a | n/a | n/a | n/a | n/a | 0% | St Basils has no non-social housing |
| 3 | Gearing | -9.9% | -21% | -21.9% | -21.7% | -30.3% | -3.5% | This method takes cash reserves into account, |

ST BASIL'S (Limited by Guarantee)

| RSH Ref | Description | 19/20 Actual | 20/21 Actual | 21/22 Actual | 22/23 Target | 22/23 Actual | 22/23 Benchmark | Narrative |
|---------|--|--------------|--------------|--------------|--------------|--------------|-----------------|---|
| | Gearing, normal method | 7.4% | 6.2% | 5.8% | 5.3% | 0% | n/a | <p>as a result St Basils has negative external financing because its cash is larger than its borrowing (now nil).</p> <p>The normal method does not include cash reserves.</p> <p>St Basils repaid it's one housing loan before the end of the year.</p> |
| | EBITDA, Earnings before interest, tax, depreciation and amortisation, (unadjusted for major repairs) | 9.7% | 9.2% | 6.7% | 3.7% | 4.2% | n/a | Earnings before interest, tax depreciation and amortisation (EBITDA) is an alternative method to assessing financial performance instead of margin. It is only included here because it feeds into the following required metric. |
| 4 | EBITDA (adjusted for major repairs) compared to financing costs | 5,418% | 9,018% | 2,153% | 1,853% | n/a | 1,210% | This metric has no relevance to St Basils due to not having any borrowing. |
| | Loan cover | 3,629% | 4,229% | 2,142% | 200% | n/a | n/a | Following the repayment of the housing loan, there is no metric to report for loan cover for the year. |
| 5 | Cost per unit | £19.2k | £20.3k | £19.3k | n/a | £20.2k | £4.8k | The high unit cost reflects the turnover of high needs tenants, who receive high quality support. |
| 6a | Operating margin – social housing lettings only | 3.9% | -6.2% | -2.9% | n/a | -1.9% | 13.5% | Although St Basil's overall margin has improved from the previous year, it still remains significantly lower than registered provider norms. however, the return on capital employed is similar. |
| 6b | Operating margin – overall | 2.7% | 4.7% | 1.0% | 1% | 1.8% | 20.3% | |
| 7 | Return on Capital Employed (ROCE) | 2.1% | 3.8% | 0.9% | 0.8% | 1.3% | 3.1% | This illustrates St Basil's "small margin, but well financed financial model", which is most apt for a small charitable organisation that is focused on relieving hardship, as opposed to being focused on housebuilding and its associated borrowing requirements. |

Benchmarks are averages taken from a selection of smaller providers, source: *Beever and Struthers*.

ST BASIL'S (Limited by Guarantee)

St Basils is committed to demonstrating VFM to our stakeholders in terms of our continual improvement in service delivery performance.

Changes in Welfare Reform and the socio-economic environment continue to place considerable strain on opportunities for young homeless and those at risk of homelessness to access and receive the support they need to live independently.

The future funding model of supported housing is critical to our ability to sustain services and accommodation for the most vulnerable.

St Basils will continue to review the financial cost, impact and effectiveness of services delivered to support our service users. These reviews will be ongoing and in the context of demonstrating achievement of our mission for the benefit of stakeholders. Detailed plans are presented to the Board each year for consideration as an integral aspect of the annual business plan.

Risk Management

The Regulator of Social Housing requires Registered Providers to have an effective risk management framework to ensure compliance with their regulatory standards. St Basils' Board determines the risk management framework and risk appetite for St Basils, which includes an annual review of the effectiveness of the system of internal control in place. The review focuses on the significant risks that threaten the organisation's ability to meet its objectives and provide reasonable assurance of the safeguarding of assets.

St Basils takes a proactive approach to risk management and has initiated a number of monitoring and reporting systems which form the overall risk assessment process. These include our Annual Active Governance Programme where Board members visit our service areas, the individual risk assessments undertaken for each young person coming to St Basils, annual health & safety risk assessments of our buildings, and KPIs are monitored by the Senior Leadership Team on a monthly basis.

A Risk Register is maintained and updated each month. When risks are identified they are allocated a scoring based on probability and impact, control actions are identified and responsibilities for actions are determined. The Risk Register is regularly monitored and reported to the Business Support and Audit Committee.

Risk reports are presented at each meeting of the Business Support and Audit Committee and the Board. The Business Support and Audit Committee also receive regular internal audit reports prepared by St Basils' internal auditor on a wide range of business activity. The annual internal audit programme is agreed at the beginning of the financial year. Our current internal auditor's approach to internal audit is a systematic risk-based approach, with the aim of aligning their work closely to St Basils' own analysis of the key risks.

The internal audit programme regularly reviews our risk management systems to apply a degree of independent scrutiny and to ensure best practice. Recommendations arising from the reviews are used by the Board as a means of ensuring a robust control environment, as well as continuous learning and improvement.

Key Risks/Challenges to the Business Plan in 2023/24

The key risks to delivering our Business Plan include:

- ❖ Reduced funding for the employability programme;
- ❖ Further inflationary pressures leading to budgets and financial plans becoming invalid;
- ❖ Not achieving fundraising targets;
- ❖ Operating within a changing regulatory environment, particularly changes being made to the Social Housing (Regulation) Bill;
- ❖ Net zero targets impacting social housing property standards legal requirements.

The above items are perceived risks and they have not materialised and / or they are being actively mitigated.

During the year, St Basils faced the following risks, which were / are being mitigated by risk monitoring and planning by the Senior Leadership Team.

- ❖ Significant increases in inflation, affecting the cost of materials and contractors
- ❖ Increased regulatory requirements around housing standards
- ❖ Labour shortages as a result of the pandemic and Brexit
- ❖ Ensuring staff wellbeing remained a priority during the Cost-of-Living crisis
- ❖ Increased challenges faced by the young people we serve, especially those relating to mental health

Key Relationships

A Business priority for St Basils is to develop and maintain productive relationships with government, local, regional, and national stakeholders, as well as our commissioning bodies, delivery partners, employees, young people and the local communities we work with. We are particularly committed to working with others who can assist us to deliver our strategic objectives, including Health commissioners, Police and Crime commissioners and those tackling youth unemployment.

We achieve development in partnership with Investment partners registered with Homes England. During the year we worked with Equans (previously Engie) to secure funding to refurbish three buildings to provide further housing for our Young Workers Village in Sandwell. Funding for the development has been received from, Homes England, Sandwell NHS Trust, Sandwell Metropolitan Borough Council, LandAid and other funders. Our consortium of social landlords helps provide good quality move-on accommodation for young people when they are ready to leave St Basils. We continue to develop productive partnerships with employers to enhance employment opportunities for young people.

Our service delivery partnerships continue to expand to enable us to work with specialists in their field including Forward Thinking Birmingham (FTB), Sandwell and West Birmingham NHS Trust, University of Birmingham, Birmingham City University, Birmingham and Solihull Women's Aid, Members of End Youth Homelessness; all actively contributing to our work.

St Basils continues to prioritise our commitment to working with local partnerships in all our areas of operation as well as with regional and national membership organisations and related Task groups, including Housing Birmingham Partnership; Solihull Homelessness Reduction Board; North Worcestershire Steering Group; Supporting People Provider Fora; Birmingham Social Housing Partnership, and West Midlands Housing Association Partnership. Our Chief Executive is Chair of the West Midlands Combined Authority (WMCA) Homelessness Taskforce and is a member of the Government's National Advisory Panel on Rough Sleeping and Homelessness.

Financing Structure

A surplus is reported in 2022/23. Going forward it is projected that surpluses will be achieved which will contribute to ensuring financial viability and investment in achieving St Basil's strategic priorities, in particular, improvement of existing accommodation and the prevention of homelessness.

Income

St Basil's main sources of income are as follows.

| | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|-----------------------------|---------|---------|---------|---------|
| Rents & services charges | 38% | 37% | 40% | 42% |
| Supporting People contracts | 41% | 41% | 45% | 44% |
| Charitable donations | 8% | 13% | 7% | 6% |
| Other sources | 13% | 9% | 8% | 8% |

Cash Flow

Net cash inflow from operating activities was £666k. Net cash outflow from finance activities was £305k and inflow from investing activities £787k. The overall net change in "cash and cash equivalents" was an increase of £1.15m.

Rent Policy

The Rent and Service Charges at each of our accommodation schemes are set at affordable levels in line with the Government's Rent reform regulations.

Out-Turn

The surplus for the year shown on the statement of comprehensive income (previously known as the income and expenditure statement) is £252k (2021/22 £130k surplus).

Reserves Policy

Our policy is to maintain reserves for three reasons:

- To maintain sufficient levels of liquidity to meet operational requirements.
- To meet our statutory, regulatory and landlord liabilities.
- To continue to achieve the aims and objectives of St Basils.

The Balance sheet as at 31 March 2023 shows reserves of £5,474k, £5,336k of which are unrestricted.

St Basils has a strategic objective of holding cash reserves that are sufficient to cover at least two months of expenditure. At the end of the year being reported, St Basils held 125 days' worth of cash reserves.

Fixed Assets

Details of changes to fixed assets are set out in notes 8 and 9 of the financial statements.
In 2022/23 capital expenditure on properties amounted to £213k and on non-housing assets £14k.

Approved by the Board on Monday 11th September 2023.
and signed on its behalf by



Feizal Hajat
Chair of the Board

BOARD REPORT for the year ending 31 March 2023

Board Members

The Board Members set out below have held office during the whole of the period from 1 April 2022 to the date of this report unless otherwise stated:

| | | |
|------------------------------------|---|---|
| Helen Bates | - | Ordinary Director |
| Paul Cadman | - | Ordinary Director |
| Maddie Dixon | - | Co-opted Director, resigned March 2023 |
| Stephen Chance | - | Co-opted Director, appointed September 2022 |
| Steve Guyon OBE | - | Ordinary Director, resigned September 2022 |
| Feizal Hajat OBE | - | Ordinary Director |
| Chris Miller | - | Ordinary Director |
| Nil Neale | - | Ordinary Director |
| Nimmi Patel | - | Ordinary Director |
| Raj Ram | - | Ordinary Director |
| Vicki Stott | - | Ordinary Director, appointed September 2022 |
| Jean Templeton | - | Executive Director |
| The Very Reverend Matthew Thompson | - | Nominated Director |
| Chris Todd | - | Ordinary Director, resigned September 2022 |

Internal Controls Assurance

The Board of St Basils has voluntarily chosen to include a statement on internal controls within the published accounts.

St Basils Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. 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 also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Company's assets and interests.

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

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

- **Identification and evaluation of risks**

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and on-going process of management review in each area of the St Basil's activities. This process is co-ordinated through a regular reporting framework by the Executive Director and Senior Management Team.

- **Monitoring and corrective action**

There is a process of control self-assessment and regular management reporting on control issues to the Senior Management Team and the Business Support and Audit Committee. The risk management system provides the basis for development of the internal audit plan to ensure internal audit reviews provide advice and/or assurance in critical areas of risk to St Basil's operations. These reviews are reported to the Business Support and Audit Committee and actions arising from these reports are reviewed regularly.

- **Control environment and control procedures**

The Board retains responsibility for a defined range of issues covering strategic, operation, financial and compliance issues including treasury strategy and new investment projects. The Board has adopted the code of governance 'Competence and Accountability'. Its approach to risk management and internal assurance is embedded in its Business Plan and disseminated through policies, procedures, induction, training, internal communication and working practices.

- **Information and financial reporting systems**

Financial reporting systems are considered by the Board in October each year as part of the priorities for the coming year. Detailed budgets are then prepared and approved by the Board annually in March. Both the Business Support and Audit Committee and the Service Delivery and Development Committee review and report to the Board regularly on key performance indicators and financial forecasts. The Company has invested in the development of a bespoke performance evaluation system which will assist in the monitoring of service outcomes.

The internal control framework and risk management process is subject to regular review by the external Internal Audit firm who are responsible for providing independent assurance to the Board via the Business Support and Audit Committee. Based on the work during the year the Internal Audit opinion is that the Company has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives.

The Board confirms that there is an on-going process for identifying, evaluating and managing significant risks faced by St Basils. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Board.

Going Concern

Under the governance requirements, the Board confirms that after making enquiries they have a reasonable expectation that the entity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, the Company continues to adopt the going concern basis in the financial statements.

Directors Indemnity

The Directors have confirmed that St Basils has Directors' and Officers' Insurance in place.

Financial Instruments

St Basils does not have any abnormal exposure to price, credit, liquidity, and cash flow risks arising from its trading activities. St Basils does not enter into any hedging transactions and no trading in financial instruments is undertaken.

Equality, Diversity and Inclusion Statement

St Basils is committed to creating an environment for staff, young people and partners that is free from all forms of discrimination and where diversity is embraced. It is our intention to do our very best for each young person, ensuring that the service St Basils offers is fair, inclusive, appropriate, and relevant for each individual. St Basils also wants to ensure that staff are provided with the best employment opportunities and that they are enabled to contribute effectively to the work of the organisation.

We take a human rights-based approach by which we mean that human rights can be protected by adherence to underlying core values of fairness, respect, equality, dignity and autonomy, or FREDAs.

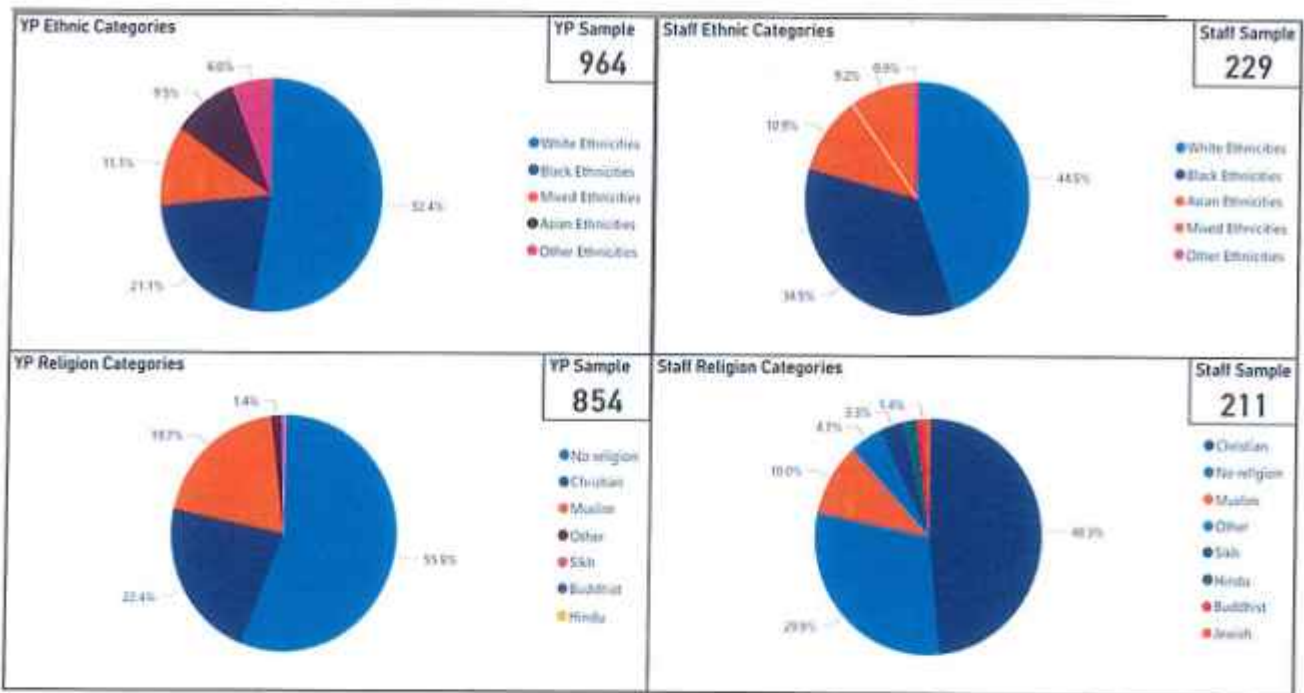
Our strategic priority 'Challenging discrimination and promoting equality, diversity, inclusion and cohesion through employment, service delivery and community engagement', highlights our commitment to ensuring that staff and young people are provided with a safe and secure environment in which they can thrive and develop, and where all aspects of their welfare is protected. Our Equality, Diversity and Inclusion Policy and Action Plan operationalise our commitments and our progress is reported annually and through our KPIs.

We believe that by establishing a workforce, which reflects the diversity of our young people and wider communities at all levels, we are better able to respond to the diverse needs of young people who are homeless or at risk.

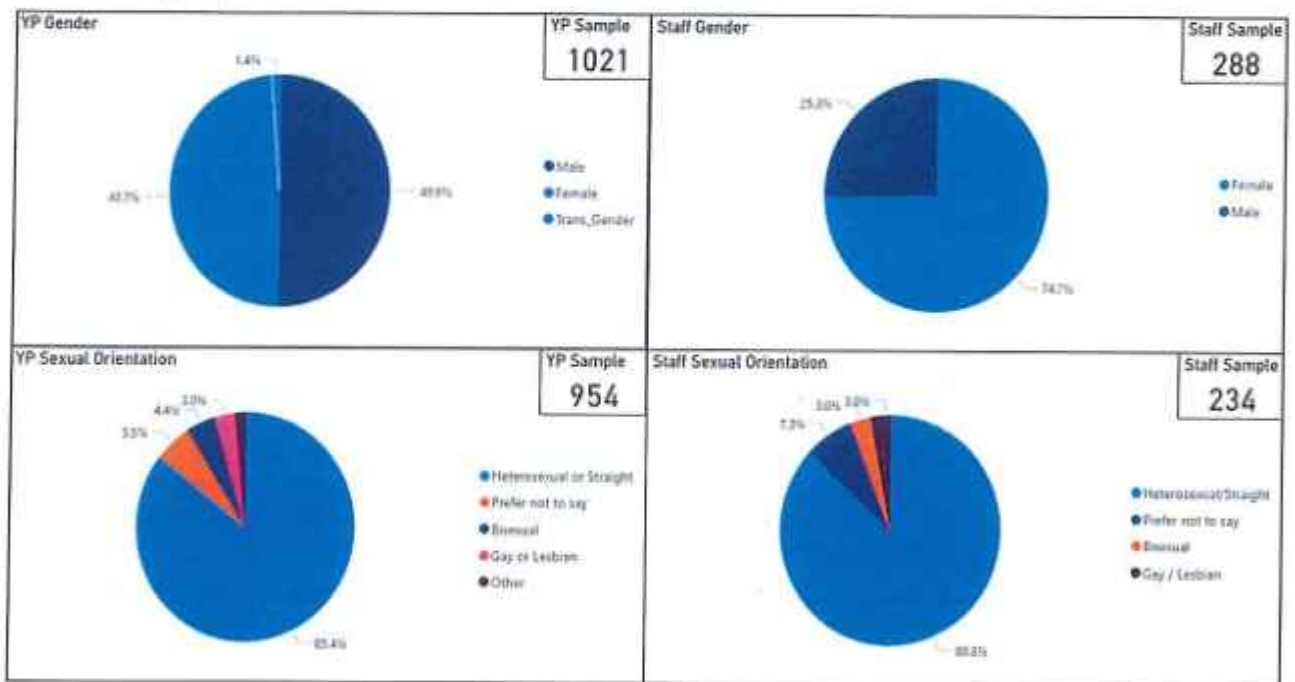
Staff and young people Diversity comparison

The graphs below show the ethnicity and religious diversity amongst our staff and the young people we served during the year.

ST BASIL'S (Limited by Guarantee)



The graphs below show the gender and sexual orientation diversity amongst our staff and the young people we served during the year.



Our detailed data allows us to review our diversity at each level within the organisation, for example in relation to ethnicity:

- Senior Service Managers: Black ethnicities: 33%; White ethnicities: 47%; Asian ethnicities: 7%, Mixed or Other ethnicities: 13%.
- Other senior operational roles: White ethnicities: 50%; Black ethnicities: 29%; Asian ethnicities: 15%; Mixed or Other ethnicities: 6%.

We recognise we have work to do in relation to under-represented groups throughout the organisation, particularly in relation to attracting male candidates to front-line operational posts. During 2021/22, we completed the Race Equality Code of Governance Assessment and are committed to implementing the actions identified including articulating our commitment to being anti-racist and anti-discrimination. During 2022/23 we have worked with partners to consult and develop our EDI Strategy and Anti-racism commitment and action plan.

Disability Statement

St Basils strives to fulfill our statutory responsibilities towards disabled people set out in the Equality Act 2010 and the Public Sector Equality Duty 2011 by:

- Providing an environment that is inclusive and accessible for all stakeholders;
- Observing our anticipatory duty to make reasonable adjustments to take steps to meet the needs of disabled people and remove or minimize the disadvantages they may face;
- Responding to individual needs in a timely way, where needs have not been anticipated;
- Considering creative and agile solutions to access issues in addition to structured assessment frameworks such as Access to Work;
- Having due regard to advancing equality by encouraging disabled people into employment by supporting their progression;
- Ensuring staff and young people have appropriate equality, diversity and inclusion awareness to support themselves and others.

St Basils is a DWP 'Disability Confident Employer' which reflects our work around proactively employing and retaining disabled people. This involves actively looking to attract, recruit and retain disabled people by providing a fully inclusive and accessible recruitment process and supportive environments to enable people to be their very best.

Staff Engagement Statement

Our 'Principles to work by' embrace colleague engagement in our service delivery and development. 'Everybody counts', 'St Basils - A Good Place to Work' and 'Strength and Unity through Diversity' reflect the value we place on an inclusive and engaged workplace. We are a Psychologically Informed Environment and as such, engagement and reflection are at the heart of our practice. Formal engagement takes place through an elected Employee Council and supports a matrix of engagement at all levels within the organization. Directors review KPIs on staff performance and well-being, and regularly review both business plans and policies to ensure that staff needs are properly taken into account. We also carry out regular staff engagement surveys to receive feedback on organisational and local issues.

Disclosure of Information to the Auditor

In the case of each of the persons who are directors of the Company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make them aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

Board Members' Responsibilities

Legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of the entity as at the end of the financial year and of its income and expenditure for the year ended on that date. In preparing those financial statements, suitable accounting policies have been used, framed, to the best of the Board's knowledge and belief, by reference to reasonable and prudent judgements and estimates and applied consistently. Applicable accounting standards have been followed. The Board is also required to indicate where the financial statements are prepared other than on the basis that the entity is a going concern.

The Board is responsible for ensuring that arrangements are made for keeping financial records with respect to the St Basil's transactions, its assets and liabilities and for maintaining a satisfactory system of control over accounts and transactions. The Board is also responsible for ensuring that arrangements are made to safeguard the assets of the entity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Compliance with the RSH Governance and Financial Viability Standard

The Board confirms that the Company complies with the requirements of the Governance and Financial Viability Standard applicable for the year

Approved by the Board on Monday 11th September 2023
and signed on its behalf by



Feizal Hajat
Chair of the Board

Opinion

We have audited the financial statements of St Basils (the 'company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company affairs as at 31 March 2023 and of its surplus 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 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the trust 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 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 Board with respect to going concern are described in the relevant sections of this report.

Other information

The Board is responsible for the other information. 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, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Strategic Report and the Board Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Board Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 Board Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific 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 Statement of the Board's responsibilities set out on page 24, 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.

In preparing the financial statements, the Board is 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 Board either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

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

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the Company's activities and the regulated nature of the Company's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of the audit 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 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the trust'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 trust and the trust's members as a body for our audit work, for this report, or for the opinions we have formed.



Lee Cartwright (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, statutory auditor
The Colmore Building
20 Colmore Circus
Queensway
Birmingham
B4 6AT

Date: 13 September 2023

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2023


| | Notes | 2023 £'000's | 2022 £'000's |
|--|-------|-------------------|-------------------|
| TURNOVER | | | |
| Housing support contracts | | | |
| - Birmingham City Council | | 4,284 | 4,054 |
| - Solihull MBC | | 843 | 738 |
| - Worcester CC | | 398 | 425 |
| - Warwickshire CC | | 425 | 415 |
| - Coventry CC | | 532 | 534 |
| - Other Councils | | 267 | 255 |
| | | <u>6,749</u> | <u>6,421</u> |
| Income from lettings | 3b | 6,434 | 5,829 |
| Fundraising | 3a | 958 | 999 |
| Other income | | 966 | 957 |
| Amortisation of Social Housing Grant | 15 | 208 | 208 |
| | 3a | <u>15,315</u> | <u>14,414</u> |
| OPERATING COSTS | 3a | <u>(15,060)</u> | <u>(14,273)</u> |
| OPERATING SURPLUS | 3a | 255 | 141 |
| Interest receivable and similar income | | 9 | 1 |
| Interest payable and similar charges | | (12) | (12) |
| SURPLUS FOR THE YEAR | | <u>252</u> | <u>130</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u><u>252</u></u> | <u><u>130</u></u> |

STATEMENT OF FINANCIAL POSITION

As at 31 March 2023, company registration number 03964376

| | Notes | 2023 £'000's | 2022 £'000's |
|--|-------|-----------------|-----------------|
| FIXED ASSETS | | | |
| Housing properties - cost less depreciation | 8 | 13,449 | 13,563 |
| Other property, plant & equipment | 9 | 519 | 782 |
| Total fixed assets | | <u>13,968</u> | <u>14,345</u> |
| CURRENT ASSETS | | | |
| Debtors | 11 | 1,636 | 1,031 |
| Cash and cash equivalents | | 5,070 | 3,922 |
| | | <u>6,706</u> | <u>4,953</u> |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 12 | (2,759) | (2,154) |
| NET CURRENT ASSETS | | <u>3,947</u> | <u>2,799</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>17,915</u> | <u>17,144</u> |
| CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 13 | (12,441) | (11,922) |
| NET ASSETS | | <u>5,474</u> | <u>5,222</u> |
| CAPITAL AND RESERVES | | | |
| Revenue reserves | | 5,336 | 5,062 |
| Restricted reserves | | 138 | 160 |
| TOTAL RESERVES | | <u>5,474</u> | <u>5,222</u> |

The financial statements on pages were approved by the Board on Monday 11th September 2023 and were signed on its behalf by:



Jean Templeton, Member of the Board



Feizal Hajat, Chair of the Board

STATEMENT OF CHANGES IN RESERVES

For the year ending 31 March 2023

| | Revenue reserves £'000's | Restricted Reserves £'000's | 2023 Total £'000's | 2022 Total £'000's |
|--|--------------------------------|-----------------------------------|--------------------------|--------------------------|
| At 1 April 2022 | 5,062 | 160 | 5,222 | 5,092 |
| Surplus from statement of comprehensive income | 252 | - | 252 | 130 |
| Transfer to/from restricted reserves | 22 | (22) | - | - |
| At 31 March 2023 | <u>5,336</u> | <u>138</u> | <u>5,474</u> | <u>5,222</u> |

For the year ending 31 March 2022

| | Revenue reserves £'000's | Restricted Reserves £'000's | 2022 Total £'000's | 2021 Total £'000's |
|--|--------------------------------|-----------------------------------|--------------------------|--------------------------|
| At 1 April 2021 | 4,914 | 178 | 5,092 | 4,457 |
| Surplus from statement of comprehensive income | 130 | - | 130 | 635 |
| Transfer to/from restricted reserves | 18 | (18) | - | - |
| At 31 March 2022 | <u>5,062</u> | <u>160</u> | <u>5,222</u> | <u>5,092</u> |

STATEMENT OF CASH FLOWS
 For the year ending 31 March 2023

| | Notes | 2023 | | 2022 | |
|---|-------|---------|---------|---------|---------|
| | | £'000's | £'000's | £'000's | £'000's |
| NET CASH INFLOW FROM OPERATING ACTIVITIES | 17 | | 666 | | 817 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| Interest received | | 9 | | 1 | |
| Interest paid | | (12) | | (12) | |
| Housing loans repaid | | (302) | | (13) | |
| Investments encashed | | - | | - | |
| | | | (305) | | (24) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | |
| Purchase of housing properties | 8 | (213) | | (211) | |
| Purchase of other property, plant & Equipment | 9 | (14) | | (113) | |
| Capital grants and donations received/accrued | 15 | 1,014 | 787 | - | (324) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | | | 1,148 | | 469 |
| CASH AND CASH EQUIVALENTS AT START OF YEAR | | | 3,922 | | 3,453 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | | 5,070 | | 3,922 |

Analysis of changes in net debt

| | At 1st April £'000 | Cashflows £'000 | Other non-cash £'000 | At 31 st March £'000 |
|---------------------------|-----------------------|--------------------|-------------------------|------------------------------------|
| Cash and cash equivalents | 3,922 | 1,148 | - | 5,070 |
| Housing loans | (302) | 302 | - | - |
| Total | 3,620 | 1,450 | - | 5,070 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2023

1. ACCOUNTING POLICIES

(a) Basis of accounting

St Basil's is a company limited by guarantee which is incorporated and domiciled in the United Kingdom. The financial statements are prepared under the historical cost convention, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022 the Statement of Recommended Practice for Registered Social Housing Providers 2014 (SORP) and the Housing and Regeneration Act 2008. St Basils is a public benefit entity (PBE), as defined in FRS 102 and applies the relevant paragraphs prefixed "PBE" in FRS 102.

(b) Statement of compliance

St Basils has prepared the financial statements in accordance with FRS 102.

(c) Turnover

Turnover represents rents and service charges receivable (net of losses from voids), revenue grants receivable from local authorities together with donations and miscellaneous income.

Income is generally recognised on a receivable basis and is reported gross of related expenditure, where the amount is reasonably certain and when there is adequate certainty of receipt. The specific bases used are as follows:

- Income from charitable activities, including income from contracts, is accounted for when earned. Income received in advance is deferred until entitlement to the income has arisen;
- Grants are recognised when the entitlement to the grant is confirmed. Grants for the purchase of equipment and towards the initial setting up of projects are credited in full to the various activities in furtherance of the charity's objects in the year in which they are received. Grants received specifically for goods and services to be provided as part of charitable activities are recorded against the activity to which they relate;
- Rental income is accounted for on a receivable basis, net of voids;
- Donations, gifts, legacies and general grants receivable, which do not relate to specific charitable activities, are categorised as donations and legacies;
- The financial statements reflect no amounts in respect of time provided by volunteers;
- Donated goods, services or facilities are brought into the accounts at their estimated fair value. Where pro bono services are received and are material, the value of those services, as estimated by the directors, is included as both income and expenditure;
- Legacies are recognised as income when there is entitlement, probability of receipt and measurability of the legacy.

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2023

(d) Depreciation

No depreciation is charged to the Statement of Comprehensive Income in the year of acquisition or purchase on either category of asset.

Housing properties

Depreciation is calculated to write down the cost of investment in specific components which need replacing over different useful economic lives. St Basils has adopted the following components and economic useful lives for its asset components:

| | |
|---------------------------|---------------|
| Structure | 100 year life |
| Kitchens | 15 year life |
| Bathrooms | 15 year life |
| Doors | 20 year life |
| Heating systems (Boilers) | 25 year life |
| Window | 20 year life |
| Roofs | 50 year life |
| Security Systems | 20 year life |
| Refurbishment | 20 year life |

Freehold land is not depreciated.

Other property, plant & equipment (PPE)

Depreciation is calculated to write down the cost of plant & equipment on a straight-line basis over their estimated useful life:

Computer equipment and furnishing and fittings 5 years

For improvements to leasehold property the economic lives for Housing properties are adopted unless the period of the lease is known to be lower.

(e) Social Housing Grant (SHG) and other capital grants

Where grants are received from government agencies such as Homes England, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants, they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received. Government grants are recognised using the accruals model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

(e) Social Housing Grant (SHG)

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Grants received from non-government sources are recognised as revenue using the performance model.

(f) Improvements to properties

Expenditure on existing housing properties other than replaced components is capitalised to the extent that it improves the economic benefit of the asset either through an increase in rental income, a reduction in maintenance costs or through an extension of the life of the property.

(g) Restricted Reserves

The restricted reserves represent donations received but as yet unspent, in respect of specific projects together with capital grants and donations received for restricted purposes. These are subject to an external restriction as such they are separately recognised

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2023

1. ACCOUNTING POLICIES (Continued)

(h) Pension Costs

St Basils has two defined contribution schemes.

Contributions payable to the Company's auto enrolment scheme with Legal and General are charged to the Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme.

Contributions payable to the Company's defined contribution scheme with Engage Mutual are charged to the Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme. New membership of this scheme was stopped in 2014 when the scheme with Legal and General was introduced. All new membership since 2014 has been into the Legal and General Scheme.

(i) Supporting People

Separately identifiable tenancy related rent, service and support charge income along with any related costs for supported housing is disclosed under 'supported housing' within note 3. Charges for and costs of support services funded under Supporting People are shown under 'Supporting People' within note 3.

(j) Operating Leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with other short term, highly liquid investments that are readily known amounts of cash and are subject to an insignificant risk of change in value.

(l) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument

(m) Going Concern

The company's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted in the business plan updated for 2022/23 and therefore we consider it appropriate to continue to prepare the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2023

1. ACCOUNTING POLICIES (Continued)

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss on any asset, including social housing property, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Financing transactions

For rent arrears where the arrangement constitutes, in effect, a financing transaction because of extended credit arrangements the arrears are measured at the present value of the future payments discounted at an appropriate market rate of interest.

2. Significant Management Judgements and key sources of estimation uncertainty.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 and in any future periods affected.

Significant Management Judgements

The following are management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognised in the financial statements.

Capitalisation of development expenditure

The company capitalises expenditure in accordance with the accounting policy on housing properties. Judgement is exercised over the likelihood that projects will continue, as to whether development expenditure is capital or revenue. For the year ending 31 March 2023, there are capital additions of £213k (see note 8), of which £79k relates to the capitalisation of on-going development costs.

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2023
2. Significant Management Judgements and key sources of estimation uncertainty. (continued)
Estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results and may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Debtor provisions

Provision is made for rent arrears that are considered uncollectable. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement. In the light of the experience of recent years, the basis for determining the provision for rental debts has proved reasonable.

Components of housing properties and useful lives

Major components of housing properties have significantly different patterns of consumption of economic benefits and estimates are made to allocate the initial cost of the property to its major components and to depreciate each component separately over its useful economic life. The Company considers whether there are any indications that the useful lives require revision at each reporting date to ensure that they remain appropriate.

3a. TURNOVER AND OPERATING (DEFICIT)/SURPLUS

| | Turnover | 2023 Operating costs | Surplus/ (deficit) | Turnover | 2022 Operating Costs | Surplus/ (deficit) |
|---|---------------|----------------------------|-----------------------|---------------|----------------------------|-----------------------|
| | £'000's | £'000's | £'000's | £'000's | £'000's | £'000's |
| Income and expenditure from lettings | | | | | | |
| Supported housing – residential (note 3b) | 12,302 | (12,530) | (228) | 11,471 | (11,807) | (336) |
| Other income and expenditure | | | | | | |
| Fund raising | 958 | (536) | 422 | 999 | (541) | 458 |
| Non-residential services | 2,055 | (1,994) | 61 | 1,944 | (1,906) | 38 |
| Total | 15,315 | (15,060) | 255 | 14,414 | (14,254) | 160 |

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2023

3b. INCOME AND EXPENDITURE FROM SOCIAL HOUSING

| | 2023 | 2022 |
|---|--|--|
| | All Supported Housing Accom- modation £'000's | All Supported Housing Accom- modation £'000's |
| Income from lettings | | |
| Rent receivable | 2,620 | 2,408 |
| Service charges receivable | 3,814 | 3,421 |
| Net rents receivable | <u>6,434</u> | <u>5,829</u> |
| Supporting People Grant | 4,853 | 4,685 |
| Other income | 1,015 | 957 |
| Total income from lettings | <u>12,302</u> | <u>11,471</u> |
| Expenditure on lettings | | |
| Management | 7,487 | 7,146 |
| Services | 2,577 | 2,417 |
| Routine maintenance | 937 | 882 |
| Residential building lease costs | 313 | 314 |
| Planned maintenance | 627 | 592 |
| Bad debts | 262 | 174 |
| Depreciation of properties | 327 | 282 |
| Total expenditure on lettings | <u>12,530</u> | <u>11,807</u> |
| Operating surplus on social housing lettings | <u>(228)</u> | <u>(336)</u> |
| Rent losses from voids | <u>664</u> | <u>742</u> |

4. SURPLUS ON ORDINARY ACTIVITIES

| | 2023 £'000's | 2022 £'000's |
|--|-------------------|-------------------|
| Surplus on ordinary activities is stated after charging/(crediting) | | |
| Depreciation of housing properties | 327 | 282 |
| Depreciation of other fixed assets | 255 | 306 |
| Auditors' remuneration: - | | |
| In their capacity as auditors | 20 | 19 |
| In respect of other services | - | - |
| Staff costs (note 6) | 7,658 | 7,660 |
| Amortisation of social housing grants | (208) | (208) |
| Other equipment lease charges | 49 | 43 |
| Land and buildings lease charges | 369 | 371 |
| | <u> </u> | <u> </u> |

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2023
5. TAXATION

No taxation charge arises as the Company is a registered charity and is exempt from tax on charitable activities.

6. STAFF COSTS

| | 2023 | 2022 |
|---|----------------|--------------|
| | £'000's | £'000's |
| Staff costs including the Senior Management Team | | |
| Wages and salaries | 6,889 | 6,886 |
| Social security costs | 573 | 574 |
| Other pension costs | 196 | 200 |
| | <u>7,658</u> | <u>7,660</u> |

Average number of full-time equivalent persons (including the Chief Executive) employed during the year:

| | Number | Number |
|--------------------------|---------------|------------|
| Management | 8 | 8 |
| Administration | 34 | 36 |
| Housing support services | 227 | 240 |
| | <u>269</u> | <u>284</u> |

7. DIRECTORS' EMOLUMENTS

| | 2023 | 2022 |
|--|----------------|------------|
| | £'000's | £'000's |
| Emoluments of the Senior Management Team (including pension contributions) | <u>451</u> | <u>440</u> |
| The emoluments of the Senior Management Team disclosed above include amounts paid to: | | |
| The Chief Executive, being the highest paid director (excluding pension contributions) | <u>75</u> | <u>73</u> |

The Chief Executive is entitled to membership of the defined pension contribution pension scheme operated by the company. No special terms or individual pension arrangements apply to this post, except for those common to a number of staff who transferred different arrangements from an earlier scheme. Employer pension contributions in respect of the Chief Executive amounted to £4k (previous year £4k).

Apart from the Chief Executive, no other employees were paid in excess of £60k (previous year: no employees).

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2023

The Board of Directors consists of eleven Non-Executive Directors and one Executive Director (Chief Executive). The emoluments of the Chief Executive are included within the Senior Management Team emoluments.

The Non-Executive Directors receive no emoluments.

8. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

| | Housing properties held for letting £'000's | Housing properties under development £'000's | Total £'000's |
|-------------------------------|---|--|------------------|
| COST | | | |
| At 1 April 2022 | 16,854 | 18 | 16,872 |
| Additions | 134 | 79 | 213 |
| At 31 March 2023 | <u>16,988</u> | <u>98</u> | <u>17,085</u> |
| LESS: DEPRECIATION | | | |
| At 1 April 2022 | 3,309 | 0 | 3,309 |
| Charge for the year | 327 | 0 | 327 |
| At 31 March 2023 | <u>3,636</u> | <u>0</u> | <u>3,636</u> |
| NET BOOK VALUE | | | |
| At 31 March 2023 | <u>13,352</u> | <u>98</u> | <u>13,449</u> |
| At 31 March 2022 | <u>13,545</u> | <u>18</u> | <u>13,563</u> |

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2023

9. OTHER PROPERTY, PLANT & EQUIPMENT

| | Short term Leasehold properties £'000's | Computer equipment £'000's | Furnishings and fittings £'000's | Total £'000's |
|---------------------------------|--|----------------------------------|---|------------------|
| COST | | | | |
| At 1 April 2022 | 607 | 2,091 | 1,891 | 4,589 |
| Additions | - | 6 | 8 | 14 |
| Disposals | - | (36) | - | (36) |
| At 31 March 2023 | 607 | 2,061 | 1,899 | 4,567 |
| ACCUMULATED DEPRECIATION | | | | |
| At 1 April 2022 | 311 | 1,897 | 1,599 | 3,807 |
| Charge for the year | 48 | 70 | 137 | 255 |
| Disposals | - | (14) | - | (14) |
| At 31 March 2023 | 359 | 1,953 | 1,736 | 4,048 |
| NET BOOK VALUE | | | | |
| At 31 March 2023 | 248 | 108 | 163 | 519 |
| At 31 March 2022 | 296 | 194 | 292 | 782 |

10. UNITS IN MANAGEMENT

| | 2023 Number | 2022 Number |
|------------|----------------|----------------|
| Bed spaces | 603 | 601 |

At the end of the year there were 54 units in development (2022: nil).

11. DEBTORS

| | 2023 £'000's | 2022 £'000's |
|-------------------------------|-----------------|-----------------|
| Rental debtors | 535 | 498 |
| Less: Provision for bad debts | (255) | (194) |
| Net rental debtors | 280 | 304 |
| Other debtors | 867 | 368 |
| Prepayments | 330 | 219 |
| Accrued Income | 159 | 140 |
| | 1,636 | 1,031 |

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2023

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 £'000's | 2022 £'000's |
|--|-----------------|-----------------|
| Rental pre-payments | 488 | 443 |
| Accruals | 700 | 373 |
| Deferred income | 781 | 486 |
| Trade creditors | 410 | 441 |
| Other taxation and social security costs | 172 | 188 |
| Housing loans | - | 15 |
| SHG due within one year | 208 | 208 |
| | <u>2,759</u> | <u>2,154</u> |

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

| | 2023 £'000's | 2022 £'000's |
|-----------------------------------|-----------------|-----------------|
| SHG to be released after one year | 12,176 | 11,370 |
| Housing loan | - | 287 |
| Provision for dilapidations | 265 | 265 |
| | <u>12,441</u> | <u>11,922</u> |
| Profile of Housing loan: | | |
| Amount falling due 2-5 years | - | 59 |
| Amount falling due 5+ years | - | 228 |
| | <u>-</u> | <u>287</u> |

The loan with Unity Trust Bank was repaid in full before the end of the year 2022/23.

14. FINANCIAL INSTRUMENTS

The carrying values of the Company's financial assets and liabilities are summarised by category below.

Financial assets

Measured at undiscounted amount receivable

- Rent arrears and other debtors (see note 11)

Financial liabilities

Measured at amortised cost

- Loans payable (see note 13)

Measured at undiscounted amount payable

- Trade and other creditors (see note 12)

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2023

15. SOCIAL HOUSING GRANT AMORTISATION MOVEMENT

| | 2023 £'000's | 2022 £'000's |
|---|-------------------------------|-----------------|
| Deferred income – Grants | | |
| As 1 April 2022 | 11,577 | 11,785 |
| Grants received | 1,014 | |
| Amortisation to Statement of Comprehensive Income | (208) | (208) |
| At 31 March 2023 | <u>12,383</u> | <u>11,577</u> |
| Amortisation within one year | <u>208</u> | <u>208</u> |
| Amortisation after one year | <u>12,175</u> | <u>11,369</u> |

The total value of grants received prior to any amortisation is £14,870k (2022: £13,856k).

16. SHARE CAPITAL

The Company is limited by guarantee and does not have any share capital.

17. RECONCILIATION OF OPERATING SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2023 £'000's | 2022 £'000's |
|---|-------------------------------|-----------------|
| Operating surplus for the year | 255 | 141 |
| Movement in debtors | (569) | 127 |
| Movement in creditors | 620 | 169 |
| Depreciation | 568 | 588 |
| Amortisation of grant | (208) | (208) |
| Net cash flow from operating activities | <u>666</u> | <u>817</u> |

18. CAPITAL COMMITMENTS

| | 2023 £'000's | 2022 £'000's |
|---|-------------------------------|-----------------|
| Capital expenditure contracted for but not provided for in the financial statements | <u>3,589</u> | <u>-</u> |
| Capital expenditure authorised but not yet contracted for | <u>-</u> | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2023

The capital expenditure contracted for but not provided for in the financial statements relates to the development of Phase 2 of our Live and Work Youth Village development in Sandwell. The development is being fully funded by some of our key partners – Homes England, LandAid and Sandwell MBC.

19. OPERATING LEASE COMMITMENTS

At 31 March 2023 the company had total minimum lease payments under non-cancellable operating leases as follows:

Other equipment leases:

| | 2023 £'000's | 2022 £'000's |
|-------------------------|-----------------|-----------------|
| Expiry Date | | |
| Less than 1 year | 49 | 43 |
| Between 2 and 5 years | - | - |
| After more than 5 years | - | - |
| | <u>49</u> | <u>43</u> |

Land & Building leases:

| | 2023 £'000's | 2022 £'000's |
|-------------------------|-----------------|-----------------|
| Expiry Date | | |
| Less than 1 year | 331 | 294 |
| Between 2 and 5 years | 420 | 456 |
| After more than 5 years | 669 | 561 |
| | <u>1,420</u> | <u>1,311</u> |

20. LEGISLATIVE PROVISIONS

The Company is a registered charity, a company limited by guarantee incorporated under the Companies Act 2006, and is a Registered Provider of Social Housing.

21. PENSION COMMITMENTS

The Company operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension charges as detailed in note 6 represents contributions payable by the Company to the funds.

At 31 March 2023, pension contributions still to be paid into the pension fund amounted to £39k (£39k in the previous year), and these were paid in April 2023. This obligation is included in creditors on the Statement of Financial Position.

22. RELATED PARTIES

A Director is related to a senior manager in Birmingham City Council, which had previously commissioned supported housing contracts with St Basils. These arrangements pre-dated both their appointments. The Director could not use their position to their advantage.

A Director was the Chair of the Board of Trustees for the parent company of a recruitment agency used by St Basils during the year 2022/23. The work was awarded at arm's length and the Director did not use their position to influence the works. The total of the transactions during the year was £36k.

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2023
23. RESTRICTED RESERVES

| Restricted Reserve | At 1 April 2022 | Expenditure | At 31 March 2023 |
|-------------------------------|-----------------|-------------|------------------|
| | £'000's | £'000's | £'000's |
| Young Women's Fund - Shelter | 131 | - | 131 |
| Young Women's Fund - Hardship | 29 | (22) | 7 |
| Total Restricted Reserves | 160 | (22) | 138 |

Young Women's Fund (Shelter) was established in 2009, to provide grants and other relief of young women's hardship in Birmingham.

Young Women's Fund (Hardship) was established in 2011/12, to provide grants and other relief of young women's hardship.

