

2021/22
Annual Report
and Financial
Statements



Alpha (RSL) Limited

Information for the year ended 31 March 2022

The organisation is a Private Housing Association registered with the Regulator of Social Housing (No. L1033) and under The Co-Operative and Community Benefit Societies Act 2014 (No. 16317R). Alpha also holds recognised charitable status with the HMRC.

Trading Style	Alpha Living
Registered Address	Management Office Poppyfields Woodpecker Close Upton, Wirral CH49 4AA
Board Members	Janet Atherton Gill Bennett Dan Bradley Peter Gibbs Lorri Holding Dawn Morris Claire Taylor (Chair) Kieran Timmins (Chair of Audit, Risk & Remuneration / Vice Chair)
Secretary	Alison Williams
Bankers	Lloyds Bank PLC 7th Floor 40 Spring Gardens Manchester, M2 1EN
Auditors	Beever & Struthers St Georges House 215 - 219 Chester Road Manchester, M15 4JE
Solicitors	Brabners LLP Horton House Exchange Flags Liverpool L2 3YL

Alpha (RSL) Limited

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Alpha (RSL) Limited

Board Report for the year ended 31 March 2022

Foreword by the Chair

I am delighted to introduce Alpha's financial statements and board report for the 2021/22 financial year.

We have achieved strong results in the context of another extraordinary year. The effects of a global pandemic were ever-present. We responded positively, making sure residents had access to support and were kept safe. I am tremendously grateful to Alpha colleagues who continued to go the extra mile and put residents' welfare first.



We are a specialist provider of housing for older people. It's important we remain true to our values. The transformative effect of the right housing and services cannot be under-estimated. In order to do this, we need strong financial results.

Our performance was again ahead of target, with particular highlights including:

- Completion of our £13.1m extra care development in Upton, Wirral in July 2021 to budget
- Surplus of £965k in line with business plan targets
- Improved operational performance especially in lettings and arrears
- Continued investment in our existing housing equivalent to £1,852 per property
- A commitment to continued growth

We were proud to deliver Poppyfields, which is now Wirral's largest extra care development. This was a huge project which we couldn't have delivered without our partners on the project team. We are especially grateful to Homes England, Wirral Council and Lloyds Bank PLC. This amazing development is now home to more than 80 people. It's a real community and proves what can be done with long-term ambition and a strong risk strategy.

During the year we were delighted to receive the accolade of the best older persons' landlord at the UK Housing Awards. It's a well-deserved recognition of the hard work each member of the team does, and of how privileged we are to work with our residents.

As part of our post-Covid agenda we have engaged with residents and set up new ways of engagement including our innovative Access Alpha forum. We've also taken stock and completed a satisfaction survey in spring 2022, which saw us improve our position against a background of reducing satisfaction across the social housing sector.

Looking ahead

We are determined to use our strong financial position and our expertise as a specialist housing association to grow and to develop vital housing for those in need.

We can only do this by working with well-chosen partners, being challenging and ambitious and having a complete understanding of current and future residents.

I'd like to thank everyone involved in Alpha over the last year. We have an exciting future as we continue to play a vital role in our communities.

Professor Claire Taylor
Chair, Alpha Living

Alpha (RSL) Limited

Board Report for the year ended 31 March 2022

Overview

The Board of Alpha (RSL) Limited, trading as Alpha Living, presents its report and audited financial statements for the year ended 31 March 2022.

Our principal activities are the management, maintenance and development of affordable homes to rent. Our mission is to provide excellent quality housing and services which enhance the lives of older people in our communities.

As a specialist provider of older persons' housing we see ourselves as much more than a landlord. We are driven by a passion to make a positive difference to the lives of older people. We are a growing, innovative and agile provider of housing and services for older people. We shape services around people by getting to know them and supporting their independence. Alpha provides happy and exciting places to live. Our ambition is to be the go-to provider for older people, and we have a clear corporate plan to support these aims.

As at 31 March 2022, Alpha managed 960 units split across the following types:

Type	To 31 March 2022
Studio apartments	136
One-bedroom apartments	794
Two-bedroom (or more) apartments	30
Total stock	960

Type	To 31 March 2022
Social rent	882
Affordable rent	78

Alpha's housing is located principally on the Wirral (531 properties). There are also significant stock holdings in the following local authority areas:

Local Authority	Number of Units
Bury	32
Cheshire East	32
Cheshire West and Chester	51
Kirklees	46
Leeds	48
Newcastle under Lyme	71
Sheffield	46
Shropshire	11
St Helens	60
Telford and Wrekin	32

Alpha is registered with and regulated by the Regulator of Social Housing. It is required to comply with the regulatory framework. In addition, Alpha has adopted the 2020 National Housing Federation (NHF) Governance Code. The association is governed by a Board of Management of up to 12 non-executive directors and is managed by a senior team headed by the Chief Executive, supported by, a Head of Finance & Resources, Head of Asset Management and Head of Housing, who also attend all Board meetings.

Alpha (RSL) Limited

Board Report for the year ended 31 March 2022

Objectives and strategy

Alpha has an over-arching corporate plan which addresses the twin aim of ensuring Alpha's current housing meets needs and is well managed, and the ambition to grow the organisation to meet future needs.

As a specialist provider the Board aims to provide imaginative services and housing that meet the needs of the future and meet growing aspirations too. We have financial capacity and recognise that we may be much better placed to grow by working closely with partners. Collaboration and partnership are keystones to our success.

We have 3 key aims in our corporate plan:

To be a respected provider

- Enhance our accommodation and services, create vibrant communities and give support which enhances independence
- Reduce the number of Alpha bedsits and bring all our properties up to the Alpha Standard by 2023
- Retain and where possible enhance the local development manager service
- Evidence the difference Alpha makes to people's lives

Grow responsibly

- Grow through new provision and acquisitions
- Challenge our value for money to help us offer the most effective and efficient services
- Consider risks associated with growth and keep Alpha's structure under review
- Offer our management services to others to add value through our knowledge, expertise and dedication

Act as a catalyst for innovation

- Use our growth opportunity fund to develop ideas, partnerships and ensure resources are available to meet goals
- Position Alpha as a partner open to new ideas and able to deliver what it promises
- Concentrate growth on a smaller geographical area centred around the Liverpool City Region and Cheshire and become a more visible and effective partner in these localities
- Work with other partners through strategic co-operation and joint ventures
- Work with social care and health to understand priorities and offer solutions delivering value and enhanced health and well-being

This is underpinned by our values:

Alpha (RSL) Limited

Board Report for the year ended 31 March 2022

All-embracing

Valuing everyone for who they are, empowering people and welcoming diversity

Listening

Putting residents at the heart of everything we do and going the extra mile

Positive

Making a difference; pioneering and brave

Honest

Open and transparent; treating residents and colleagues with respect

Agile

Adaptable and responsive; getting the big things and the small things right

Being a provider of choice and an advocate of housing for older people means understanding and responding quickly to social, economic, environmental and political change. One of our key priorities for 2021/22 was to find new and innovative ways to empower, listen to and respond to the voices of our residents. We set up new ways of working with residents including Access Alpha, a panel of 40 residents who are consulted on all key policy issues. We also worked to end digital exclusion and through the support of Lloyds Bank PLC and their partner, We Are Digital, donated 90 tablets to residents with appropriate training.

Our corporate plan reflects the need for Alpha to be brave and curious. In responding to demographic change, increasing customer aspirations and the need to create a more sustainable asset base, we agreed delivery of a £11.7m investment programme over a 5-year period to 31 March 2022. Unfortunately, this has been slightly delayed by the global pandemic and therefore completion has now been reset to 31 March 2023. Our asset management strategy ensures investment in sustainable housing and supports the Board's view that well-maintained sheltered accommodation supported by sensitive management will play a vital role in the future. The sustainability and financial viability of every Alpha development is reviewed bi-annually to identify trends and to ensure appropriate investment.

Growth

Alpha will grow. We reviewed our approach during the year and our resulting strategy argues that successful housing needs to be attractive and to have a sense of community where people can be at their best. We already place a huge emphasis on getting to know what makes our residents tick; ensuring we provide appropriate support and an exciting environment for them to thrive. The next generation will have even greater expectations.

Our growth strategy sees the value in encouraging people to age in place in a high quality and supportive environment which helps them remain independent for longer.

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Board Report for the year ended 31 March 2022

Our growth strategy is more than talk. During 2021 we delivered a state-of-the-art 78-apartment extra care development. With the support of many partners, it demonstrates how as a small provider we can corral our finances, manage risks and bring together a team to deliver a development that will make a difference for generations to come. It is something we are extremely proud of. It represents an emotional investment for the organisation and a statement of what we can do.

Incorporating design elements and services from our experience as a specialist provider, residents are already enjoying a modern and vibrant environment where they can form lasting friendships and receive support.



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Board Report for the year ended 31 March 2022

Our growth strategy supports further extra care and extra care light developments in the Liverpool City Region and Cheshire. We already have two pipeline opportunities and look forward to working with partners to bring our next developments to reality.

Partners

Our ability to work with others is fundamental to any success. As a small but growing business, we try to maximise our organisational capacity. Over the past 12 months we have sourced funding from Homes England (affordable housing programme), Wirral Borough Council (better care fund) and Lloyds Bank PLC (digital inclusion).

We work closely with another local housing association, Wirral Methodist Housing Association, and from January 2022 we jointly employ a Development Lead to identify and manage growth projects. Neither organisation could do this on their own, but by working with a partner with similar values we have increased our capacity and the quality of our projects. We are members of the Community Housing Associations North West, a group of smaller providers, who share good practice, training and procurement.

Treasury and funding

Alpha's growth strategy is supported by a £15.65m borrowing facility through Lloyds Bank PLC with a total of £13m being drawn to 31 March 2022. The undrawn facility of £2.65m will ensure Alpha is fully funded throughout the lifetime of the current 30-year business plan.

Net debt	2021/22 £	2020/21 £
Borrowing outstanding	14,779,360	14,656,271
Cash and cash equivalents	1,851,116	1,292,867
Net debt	12,928,244	13,363,404

Alpha's debt is now heavily fixed (98.52% of borrowings) reducing the risk of interest rate changes. Debt is fixed at an average rate of 2.87%.

During 2022 we will also raise further finance through securing a new £10m revolving credit facility.

Internal control statement

We continue to review our 30-year business plan annually. The financial impact of Covid has been minimal. Our properties remain lettable and have even grown in popularity. Rental income is well within business plan parameters. The capital improvement programme delayed due to difficulties gaining access due to Covid is now on course to bring all properties to the enhanced Alpha Standard by 2023.

Our updated business plan is based on assumptions informed by our treasury management advisors, supported by stress tests and scenario planning. We continue to comfortably comply with our loan covenants. This year as further assurance we have adopted a mitigation strategy which anticipates how we would react to key adverse scenarios.

The affordable housing programme provides much needed certainty to developing associations such as Alpha. The top-slicing of the programme to specialist developers is especially welcome. The social housing white paper in many ways captures work we have already started. Building safety and the carbon neutral agenda are high on the board's list of priorities.

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Board Report for the year ended 31 March 2022

Our focus is for residents to be safe and feel secure in their homes. Substantial fire safety works were undertaken to all Alpha managed developments during 2020-21 at a cost of £800k. The appointment of a qualified Fire Safety & Compliance Officer has ensured the safety of residents is at the heart of everything we do. Producing and communicating the 'golden thread' of building safety information to provide assurance to all key stakeholders will continue to be a priority.

Most of our properties perform well in terms of energy efficiency, with 95% at a band C or above. The average SAP rating is 77.

Band	Number of properties
B	364
C	545
D	36
E	15

All properties will reach band C by 2030, with £600k investment built into the current business plan. We are working with independent consultants to explore options for these apartments. These are likely to include external and internal insulation as well as the upgrading of existing heating.

A roadmap towards decarbonisation and the 2050 target for carbon neutrality remains a key priority with planned projects to establish the carbon footprint of not only Alpha properties but how we operate as a business.

Alpha's risk profile

Operational and strategic risks are assessed every 6 months by the senior leadership team and scrutinised through the Audit, Risk and Remuneration Committee. Key risks and changes in risk scores are considered by the full Board. These are captured in Alpha's delivery plan and inform our strategic priorities.

Alpha's internal auditors completed an independent annual review of internal controls in 2022 and reported they are satisfied that Alpha has reasonable and effective risk management, control and governance processes.

Alpha's growth agenda needs to be balanced against investment in existing stock. Our risk register mentions the need to monitor demand and sustainability. We do this routinely and formalise this in the asset management strategy which is due for renewal in September 2022.

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Board Report for the year ended 31 March 2022

Strategic risk	Risk score (1-25)	Key controls and mitigations
Black swan events The possibility of an unforeseen or unplanned event impacting on service delivery or the sustainability of the business	12	Covers issues such as Covid. Scenario planning and disaster recovery processes in place.
Government policy The social housing white paper and levelling up white paper, together with the social housing regulation bill contain important elements for Alpha. The rent settlement to 2025 given high inflation is concerning	12	New policy initiatives are a live issue and are actively considered by the board.
Organisational capacity As a smaller provider, Alpha is unable to meet its strategic objectives.	12	Capacity, pay and reward are reviewed regularly as part of people strategy. Organisational capacity is a live issue in terms of balancing the financial and people aspects of pursuing growth. Collaboration with others has helped and is a likely path to reducing risk.
Growth Failure to take opportunities, or poor decisions made placing the organisation at risk.	12	Alpha had adopted a more ambitious growth strategy which plans for a greater pace of new development and the exploration of acquisition opportunities. Risks have increased, but this has not affected the proposed net risk score
Major incident/health and safety Failure to comply with legislation results in death, serious injury, regulatory investigation and penalties.	12	Robust procedures tested through regular audit. Landlord compliance measured and reported to Board. Substantial assurance in latest internal audit. The unknown elements of the building safety agenda mean a relatively high net risk score of 12.
Asset management Ensure our housing is sustainable, in good condition, appeals to the aspirations of the next generation and maximises a return on assets.	12	Asset management strategy links to a detailed knowledge of our housing stock, our residents and future demand. The unknown elements of the carbon neutral agenda reflect a high net risk score of 12. We are also aware of the strategic need to balance investment in new housing with the need to keep existing housing attractive and in high demand
Income Rent and service charge income does not cover costs. Inflation risk.	12	Income is modelled in the business plan and subject to stress testing and scenario planning. Particular issue of energy prices and their recovery through service charges has increased the net risk score from 8 to 12
Governance Poor decision making, unable to attract relevant skills, or non-compliance with regulatory requirements.	9	Risks have increased slightly here as the board moves towards compliance with both the letter and spirit of the 2020 code. While governance practice will improve, we are likely to be non-compliant with some aspects of the code in the short-term.
Reputation Alpha seen as out of touch, not relevant or a one-off crisis damages reputation.	8	Robust procedures covering all areas of operation. Regular feedback from Alpha residents. Resident participation is a priority but difficult under pandemic conditions.
Funding and debt Inability to meet lender covenants or to raise long-term funding on favourable terms.	8	Robust treasury management policy reviewed each year. Independent treasury advice retained.

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We are clearer on the building safety and decarbonisation agenda. An independent stock condition survey completed in 2021 gives us more robust information on our assets and investment profile. We are also working with external advisors on the art of the possible in making our buildings more thermally efficient and the use of greener energy.

Externally, Covid remains a risk on many levels, but continues to be well-managed. The Omicron variant led to a spike in infections in December 2021 and January 2022, the closure of communal areas in our developments and several cases among residents and colleagues. We have worked closely with our teams and with local infection control.

Government policy remains a key risk. The levelling up White Paper was published in February 2022 alongside a Social Housing Regulation Bill. We are confident of our ability to deliver to both the letter and the spirit of new policy.

Wider economic issues will affect us. Base rates rose from 0.25% to 0.50% in February, 0.75% in March and to 1% in April. The Monetary Policy Committee has signalled further rate rises are likely. The short-term impact on Alpha is likely to be minimal as 98.52% of our loans are on long-term fixed rates. The financing of new development is likely to be more expensive and this will be reflected in our appraisal model.

CPI inflation of 3.1% in September 2021 has translated into a 4.1% rent rise for our residents and for most social housing tenants. Reputational risk is a factor in our strategic risk register and it is important we are seen to deliver excellent services in return for these increased costs.

Of considerable concern is high inflation, which is likely to reach 10% by the autumn of 2022. This is partly driven by price increases in the energy market and distribution and supply issues with Brexit as an aggravating factor. The invasion of Ukraine with disruption to gas supplies across Europe and increasing economic and political uncertainty can only add to inflation and the cost-of-living crisis. The sector's ability to levy rent increases to the rent formula of CPI + 1% may be limited. Our key risk here is differential inflation and costs exceeding income. We are likely to see building and material costs exceed the headline CPI rate which will put pressure on our business plan. Residents will feel the pinch too. The adjustment of energy price caps in March 2022 put pressure on household budgets, with the September 2022 forecast to increase the average energy bill beyond £3,000 per household. We continue to offer benefits and budgeting advice. Rent and service charge increases will need careful handling.

Uncertainty in costs, and the supply of labour and material in the building industry will impact our growth plans, with the forecasting of costs of new buildings especially difficult. Cost consultants are likely to reflect this uncertainty by forecasting prudently, which in turn may impact our financial appraisals. Any decision on new development becomes more complex, especially as traditional design and build contracts become harder to price and deliver.

Governance and regulation will be more challenging. We have a stronger board and well-developed processes for member appraisal and training. Regulation is changing. The consumer regulation bill will introduce changes to the regulatory framework. For Alpha, the growth strategy is likely to result in the organisation reaching 1,000 properties fairly soon, with the loss of the "lighter touch" approach for smaller providers. Again, we are well-prepared for this.

More optimistically, we are now an award-winning organisation, and that national recognition should enhance our reputation and potentially open the door to more growth opportunities.

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Review of operations

2021/22 was another successful year for Alpha, underpinned by the ongoing theme of change. Alpha continued its strong track record of meeting its objectives, exceeding its financial targets and implementing measures to plan for a revised strategic future.

The year was also challenging, once again, for the sector and for Alpha as we continued to deal with the impact of Covid 19.

Turnover for the period increased by 13.05% from £6,302,378 (2020/21) to £7,125,075 (2021/22) which included the additional income generated following the completion and handover of Poppyfields from July 2021.

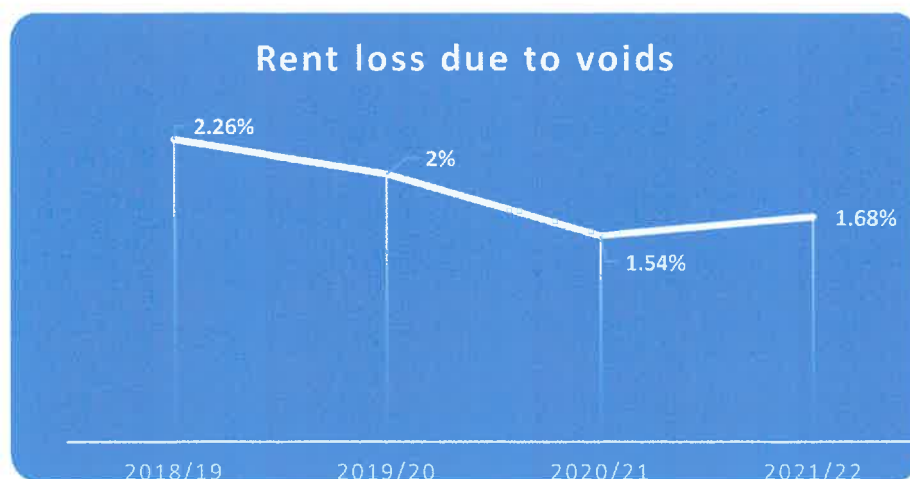
Statement of Comprehensive Income	2021/22 £	2020/21 £
Turnover	7,125,075	6,302,378
Operating expenditure	(5,698,698)	(4,829,869)
Operating surplus	1,426,377	1,472,509
Interest receivable	172	2,762
Interest payable and financing costs	(461,510)	(371,908)
Surplus for the year	965,039	1,103,363

A surplus of £965,039 was generated (£1,103,363 2020/21). Whilst reduced to 2020/21, this was in line with forecast to allow for the delivery of Poppyfields. Surpluses are planned to return to similar levels to previous years from 2022/23.

Operating expenditure increased in the period from £4,829,869 (2020/21) to £5,698,698 (2021/22) mainly related to the additional costs incurred for Poppyfields. The overall operating margin over the period therefore decreased slightly from 23.50% (2020/21) to 20.02%.

As can be seen from the graphics below our operational performance is strong and continues to improve. Motivated and talented teams mean our headline KPIs are good, and the service we provide is responsive and positive.

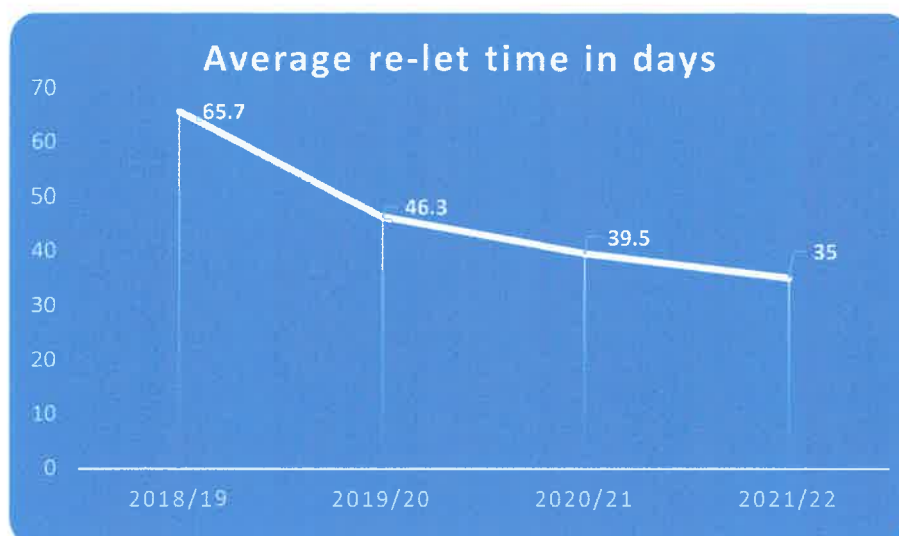
Rent loss due to empty properties is a particular area of success. In 2017/18, this totalled 5.21%. Improvements to staffing structures, better cross-team working and investment in our properties, based on a clear understanding of stock condition and resident aspirations saw this improve to just 1.68% in 2021/22.



Alpha (RSL) Limited

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Tenancy turnover increased, mainly due to the ending of many Covid restrictions throughout the year. Despite this, we were able to maintain our steady improvement in re-let times through better internal working and the increasing popularity of well-managed housing for older people.



Arrears and bad debts remain at a good level. Current rent arrears, whilst increased in 2021/22, 1.72% (£117k) still compares well to 2020/21 (1.46% £84k). Our rent collection performance in 2021/22 was 98.06% (2020/21 100.62%).

We also continue to invest significant sums in remodelling and investing in our existing housing. During the year we spent £1,633,388 (similar level to 2020/21 £1,699,840).

Governance

Alpha must adopt a code of governance, which, as for most housing associations, is the National Housing Federation Code. The code was updated in 2020 and Alpha's board agreed to adopt it from April 2021.

We fully complied with the 2015 version of the code, and it was recognised in our risk register that full compliance with the 2020 version of the code may take some time. The code adopts a comply or explain approach. The table below summarises our position as reviewed in August 2022.

Area of non-compliance	Action needed to address this	Timing
Equality diversity and inclusion - the board tracks progress against priorities	While we have an EDI policy, we have not set targets, nor do we monitor progress. A new strategy will be shaped with clear targets and a re-stated organisational commitment	March 23
Equality diversity and inclusion - the organisation publishes information about its work to deliver its commitments and objectives	See above	March 23
People with lived experience of (or particular insight into) the communities served by the organisation are meaningfully involved in governance structures	Alpha's Board accepts the need to recruit a board member with these skills. We have advertised but have not attracted any suitable applicants as yet	March 23

We will look to implement both the spirit and letter of the code. These areas of non-compliance are important to us, and we will ensure we act upon them fully .

Alpha (RSL) Limited

Board Report for the year ended 31 March 2022

We also remain compliant with the regulator's Governance and Financial Viability Standard which was reviewed in September 2022.

Value for money

We are committed to giving the best value for money for our customers through excellent housing and services. We aim to balance providing services to existing residents with building new housing.

We will constantly challenge ourselves. We will look at the return on our assets and the cost of our services. We will also take account of the quality of our properties, customer requirements and a longer-term view of our services and our assets to judge if we are providing good value.

Our strategic objectives

Our long-term aims are expressed in our Corporate Plan. We are a growing, innovative and agile housing association. We shape services around people by getting to know them and by supporting their independence. We provide happy and exciting places to live. We will do all of this while staying financially strong.

Achieving value for money means we can do a number of things:

- Continue to invest in our properties to ensure they are attractive, safe, viable and affordable and meet the aspirations of current and future generations
- Use our capacity to provide new housing
- Be agile, responsive, innovative and provide fantastic services

Alpha's Board has agreed an over-arching value for money strategy. Underpinning this, we have agreed a series of actions:

- Agree value for money targets every year through our business planning, budget setting and delivery plan processes
- Report performance against targets to the leadership team and Board
- Give an account of our performance each year to our residents, service users and other stakeholders
- Review our asset management strategy every 2 years looking at sustainability and returns on investment to ensure we invest in the right housing
- Review our growth and future direction strategy at least every 2 years to make sure we look to the future
- Regularly review our approach to risk to make sure we can identify and take advantage of opportunities while maintaining a healthy business
- Ensure our development programme is supported by a cost-effective funding plan, which means each new development meets our 'golden rules' for viability
- Ensure we exceed our funders' covenants and review our treasury management strategy every year to maintain the confidence of all our stakeholders
- Assess options for improving value for money through the delivery of our key objectives including working with others and assessing our organisational form
- Ensure our colleagues are empowered and motivated to provide the best possible service
- Benchmark our costs to show possible areas of improvement

Alpha (RSL) Limited

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Every year we will give an account of how we're doing. We will show our plans for the future and review the performance of our assets. Each year, we update our Business Plan and our Delivery Plan. These documents support business effectiveness and the quality of our services. Alpha's Board owns the value for money strategy which helps inform how we deliver our services.

Benchmarking

Comparing our performance against others is an important part of ensuring value for money. As a specialist provider, direct comparison can sometimes be difficult, so we publish our performance against 3 datasets:

- A peer group of all providers with less than 1,000 properties
- All housing associations
- A peer group of specialist providers of housing for older people of all sizes

How do we allocate scarce resources between competing priorities?

The Board sets Alpha's strategic direction and determines how resources are allocated between competing priorities. Their decision making is based on sound and accepted principles.

How do we ensure the efficient use of our resources?

We want to make the best use of our property assets, the human asset of our colleagues and to make sure we start to measure our impact on health and well-being.

- *Our properties* - Alpha has an agreed asset management strategy which is reviewed every two years. We predict the financial performance of our properties based on their net present value. We predict their popularity through using agreed sustainability indicators. This approach both measures the success of past investment and targets future investment to where it can make the most difference.
- *Our people* - Alpha colleagues make the difference to our customers. We will invest in them through training and providing a safe and stimulating work environment. We pay at least at the level of the Work Foundation Living Wage.
- *Our impact* - We know that supported independence for older people can increase life expectancy and the quality of life. Our services combat loneliness and increase self-esteem and confidence. Measuring this is not straightforward but we will start to work on this to help direct resources where they can make the greatest difference and evidence this in our conversations with other stakeholders in the community.

Value for Money - how do we compare?

The regulator has directed all housing associations to use a common set of measures to help stakeholders judge the performance of providers. We provide a full account of not only the regulator's metrics, but of all the measures developed within the sector scorecard.

The measures are only part of our value for money story. As a specialist provider of housing for older people our costs are different to others. We also take a different view to other providers on quality of service. For example, while our dedicated development manager service means costs are higher than other providers, we believe it results in a much higher quality of service.

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Our performance was generally strong and on target.

Last year we noted performance in one area was not as we would like. We are clear on the need for action:

Resident satisfaction

Overall satisfaction declined from 88% in 2018 to 81.6% in 2019. Analysis shows that dissatisfaction stems from communication and opportunities for involvement.

Our actions

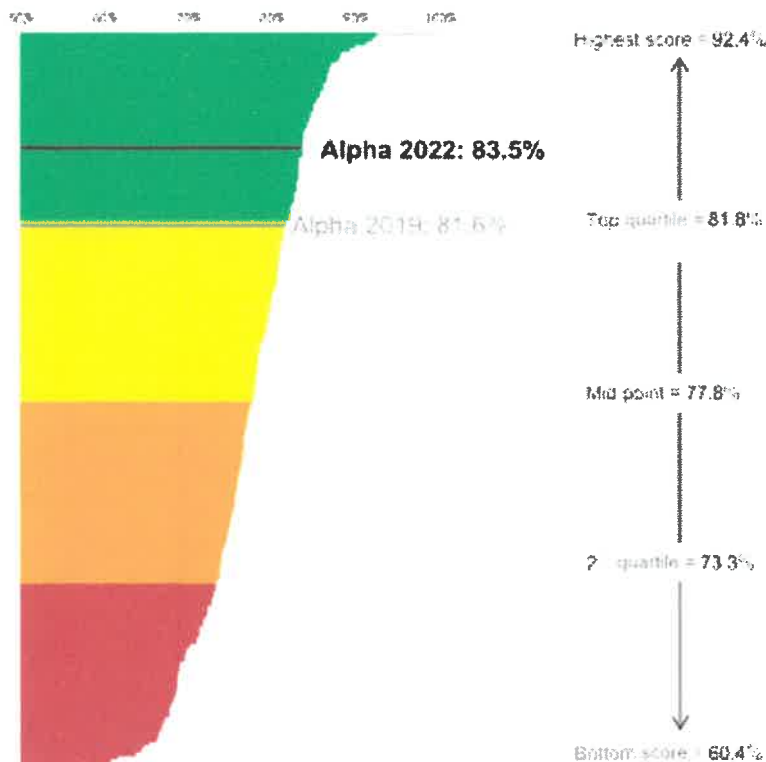
We conducted a series of focus group with residents during 2019 to better understand how satisfaction is driven. We planned to follow this up during 2020 with a series of roadshows to engage with residents, their family and the wider community. This was not possible because of restrictions imposed through the pandemic.

We will work with our residents to design a cogent approach to resident empowerment and participation through direct engagement now restrictions are lifted. This will include carrying out an updated resident satisfaction survey in collaboration with our partners in the community housing associations north west group.

We completed the resident survey in spring 2022. The results showed a significant improvement in headline satisfaction. Alpha is ranked in the top 20% of all providers in the dataset provided by The Leadership Factor.

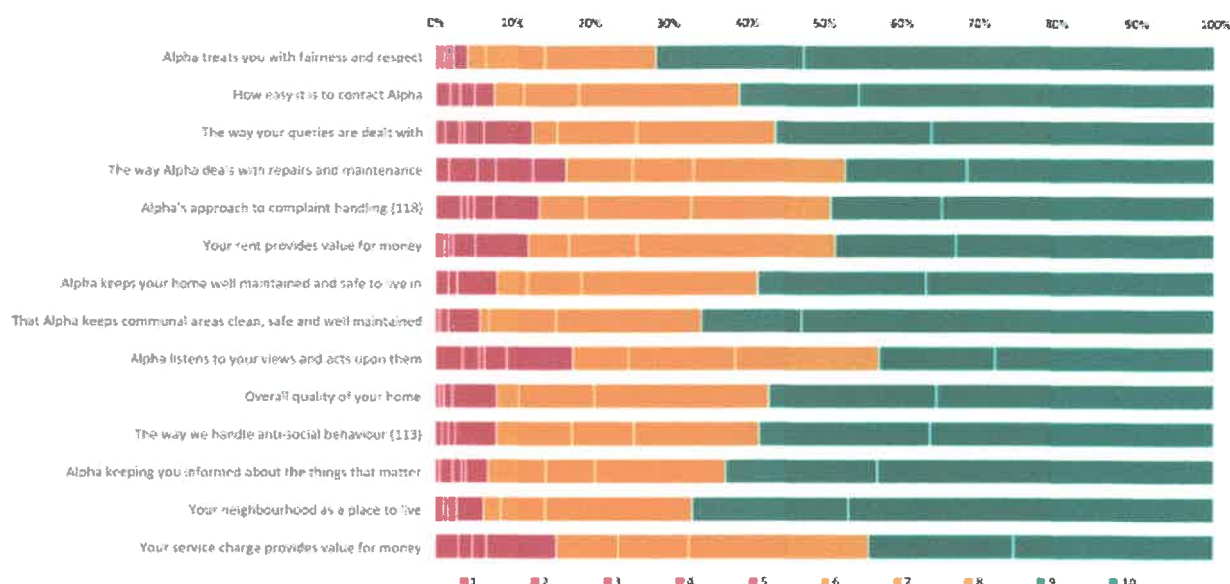
Housing Associations

The league table contains approximately 210 entries from other companies.



Against a background of declining satisfaction rates in the sector, this is a pleasing result. Breaking down the data further shows we are performing strongly in the areas that matter most to residents.

Alpha (RSL) Limited Board Report for the year ended 31 March 2022



Value for money summary

Over the last year we have made steps to increase our organisational capacity as a means of reducing risk and improving value for money. We continue to collaborate with other smaller associations in the northwest under the Community Housing Associations North West umbrella. We share good practice, conference and training requirements and jointly procure services such as legal advice. In 2022 we entered into an agreement with Wirral Methodist Housing Association to jointly employ a Development Lead. This is a post neither organisation could afford to fund on its own. The approach will save substantial project management fees.

Our value for money metrics are designed to help compare our performance to that of other specialist providers of housing for older people, smaller housing associations and all other housing associations. The metrics largely show the additional cost of providing housing for older people and in a general sense the economies of scale of larger providers. We show a backward look and a forward look to demonstrate how performance will change over the next 3 years.

Performance is generally on target, but want to work on the following areas:

Performance area	When
Devise and collect KPIs which show the value of our provision of housing for older people	Longer term aim, but have full reporting by 2024
Work to challenge our service charge costs with a real terms reduction once energy costs are taken into account	Achieve 5% real terms reduction by 2024 through better procurement and more targeted services
Rent collection - increase rent collection rates	Return to performance of at least 100% by 2023

Our future plans

Overall, we believe Alpha provides good value for money. High quality sheltered and extra care housing helps people to live independently for longer and increases their quality of life. It provides friendship, support, an exciting environment, and plenty of opportunities for social activity and security. Alpha has started the journey of developing sheltered accommodation for the 21st century which could cater more flexibly for older people as their needs change while still providing high quality housing which people aspire to live in.

Alpha (RSL) Limited

Board Report for the year ended 31 March 2022

Sheltered accommodation is cost effective. It reduces dependence on other services including GP referrals and hospital admissions. It improves health and well-being. Sheltered and extra care housing delays the need for nursing home or residential care provision. Typically, an Alpha apartment is just 25% of the cost of residential care.

At the moment we cannot easily give a monetary value to the work we do. All anecdotal evidence points to the fact that sheltered housing is cost effective, but one of our priorities is to provide solid evidence to support this. We are not afraid to challenge ourselves and adopt good practice elsewhere and to listen to the views of Alpha residents.

The Board considers that Alpha fully complies with the expectations set out in the regulator's value for money standard. The Board will however continue to consider the regulator's expectations and in particular wants to do more work to embed value for money throughout the organisation and include more explicit quantitative value for money targets in its corporate plan.

Alpha (RSL) Limited

Board report for the year ended 31 March 2022

Value for money metrics

The regulator has set out standard value for money metrics which all registered providers are required to measure and report upon. Alpha's performance, compared to three separate peer groups, is set out below:

Metric	Backward look			Benchmarks - peer median					Forward look			Summary narrative	
	2019/20	2020/21	2021/22	Smaller providers ¹	Q	Larger providers ²	Q	Hqs for older ppl ³	Q	2022/23	2023/24		2024/25
Operating margin overall %	23.50%	23.36%	20.02%	16.5%		24.3%		14.41%		21.6%	22.63%	23.86%	Our operating margin is above the median compared to small provider peers, and in the top (best) quartile compared to those providing housing for older people, where margins are traditionally lower.
Operating margin on social housing lettings %	23.83%	23.78%	20.49%	17.8%		26.8%		11.22%		22%	23.03%	24.26%	Our operating margin is now planned to improve following delivery of our new extra care development.
EBITDA MRI Interest cover %	357.96%	190.18%	245.34%	249.39%		188.85%		239.67%		214%	570%	462%	Alpha's interest cover complies with our funder's covenants. Interest cover dips for a period and will return to more normal levels by 2023/24 once the peak of the investment programme has passed.
Gearing %	21.91%	33.17%	31.09%	17.68%		41.9%		10.26%		27%	20%	32%	Our gearing remains well within our funder's maximum and slightly reduced in the year following repayments being higher than that of loan drawdowns to complete our new extra care development.
New supply delivered % (social housing units)	0%	0%	8.13%	0%		1.2%		0%		0%	0%	0%	While supply remained unchanged in 2019/20 and 2020/21, we delivered on a 78-unit extra care development in 2021/22.
New supply delivered % (non-social housing units)	0%	0%	0%	0%		0%		0%		0%	0%	0%	No new non-social housing units have been delivered and there are no plans to do so, but we will explore opportunities.
Reinvestment %	18.08%	18.58%	6.12%	2.77%		5.93%		3.12%		6.67%	3.6%	19.26%	Reinvestment is high compared to peers and reflects our priority to invest in existing housing to bring it to an enhanced Alpha Standard.
Return on capital employed	4.35%	3.63%	3.37%	2.5%		3.28%		2.02%		3.59%	3.94%	3.77%	Alpha's return on capital employed currently compares well across all peers.
Headline social housing cost per unit	£5,797	£6,340	£6,203	£4,799		£3,671		£5,198		£7,034	£6,467	£6,681	Alpha's headline costs are high compared to general needs peers. This is due to the higher cost of managing housing for older people and the decision to invest in existing properties.

Top quartile
 Upper quartile
 Lower quartile
 Bottom quartile

¹ Smaller providers is defined as those with less than 1,000 properties which contribute to the Acuity 2021/22 dataset

² Larger providers which contribute to the HouseMark 2020/21 dataset

³ Providers defined as housing for older people which contribute to the Acuity 2021/22 dataset

Alpha (RSL) Limited

Board report for the year ended 31 March 2022

Sector scorecard metrics

Alpha's Board is committed to a full understanding of costs and to measuring, reporting and committing to action on the basis of the wider sector scorecard measures.

Cost metrics

Metric	Backward look			Benchmarks - peer median					Forward look			Summary narrative	
	2019/20	2020/21	2021/22	Smaller providers ⁴	Q	Larger providers ⁵	Q	Hsg for older ppl ⁶	Q	2022/23	2023/24		2024/25
Management cost per unit	£1,507	£1,547	£1,643	£1,031		£1,066		£1,489		£1,954	£2,174	£2,233	Our management costs remain high to allow for capacity for growth in line with our corporate plan.
Service charge cost per unit	£2,387	£2,475	£2,366	£525		£411		£1,273		£2,819	£3,123	£3,293	Service charge costs are high reflecting our commitment to a dedicated manager service and the greater degree of support this gives
Maintenance cost per unit	£272	£218	£270	£926		£1,102		£858		£204	£231	£247	Maintenance costs are low and will remain so as we target a programme of investment which will help prevent more expensive responsive repairs.
Major repairs cost per unit	£1,551	£2,020	£1,770	£722		£704		£789		£2,035	£917	£886	Costs are considerably higher than our peers but will reduce from 2023/24 as the investment programme decreases. Alpha will invest to provide homes which meet the needs and aspirations of current and future residents.
Other social housing costs per unit	£80	£79	£154	£349		£215		£389		£22	£22	£22	Other costs are lower compared to other providers.

Outcomes and business health

Metric	Backward look			Benchmarks					Summary narrative	
	2019 / 20	2020 / 21	2021 / 22	Smaller providers	Q	Larger providers	Q	Hsg for older ppl		Q
Overhead costs as percentage of turnover	14.9%	16.03%	16.2%	17.44%		12.3%		16.45%		Overhead costs compare well to smaller and specialist providers, but are high compared to larger providers, partly reflecting their economies of scale. We will collaborate with others where possible to achieve greater economies. Our rent collection performance has declined this year. This is principally due to the time taken to process new housing benefit claims for residents moving into Poppyfields. Day to day repair costs are very low compared to our peers. We have targeted investment in more cost-effective planned maintenance. We have a specific plan to improve this aspect of our service as can be seen by the improved score in 2021/22.
Percentage of rent due collected	100.1%	100.6%	98.1%	100%		99.97%		98.15%		
Ratio of responsive to planned maintenance	0.17%	0.11%	0.15%	0.75%		0.69%		0.56%		
Satisfaction with overall service	81.6%	81.6%	85%	88.64%		84.88%		92.31%		

⁴ Smaller providers is defined as those with less than 1,000 properties which contribute to the Acuity 2021/22 dataset

⁵ Larger providers which contribute to the HouseMark 2020/21 dataset

⁶ Providers defined as housing for older people which contribute to the Acuity 2021/22 dataset

Alpha (RSL) Limited

Board Report for the year ended 31 March 2022

Board members

The Board Members who held office during the year were:

- Professor C Taylor (Chair)
- Mr K Timmins (Chair of Audit, Risk and Remuneration / Vice Chair)
- Dr J Atherton
- Miss G Bennett
- Mr D Bradley
- Miss L Holding
- Mrs S Lorimer (resigned 20.07.21)
- Ms D Morris
- Mr P Gibbs

Each member of the Board holds one fully paid share of £1.

The senior leadership team at the year-end was:

- Mr Graeme Foster (Chief Executive)
- Mrs Alison Williams (Head of Finance and Resources)
- Miss Zoe Carmichael (Head of Asset Management)
- Mr Peter Merity (Head of Housing)

Statement of board's responsibilities in respect of the board's report and the financial statements

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of the income and expenditure for the period of account. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

In preparing these financial statements, the Board is required to:

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

The Board is also responsible for:

- Keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Alpha (RSL) Limited

Board Report for the year ended 31 March 2022

- It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board members who held office at the date of approval of this Board report confirm that, so far as they are each aware:

- There is no relevant audit information of which the association's auditors are unaware, and
- Has taken all the steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the association's auditors are aware of that information.

Statement of compliance

The Board confirms that this Board report has been prepared in accordance with the principles set out in paragraph 4.7 of the 2018 SORP for Registered Social Housing Providers.

On behalf of the Board:



Professor Claire Taylor
Chair

Alpha (RSL) Limited

Report of the independent auditors to the members of Alpha (RSL) Limited

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Strategic Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Alpha (RSL) Limited

Report of the independent auditors to the members of Alpha (RSL) Limited

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on pages 22 and 23, 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or has 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.

Alpha (RSL) Limited

Report of the independent auditors to the members of Alpha (RSL) Limited

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:

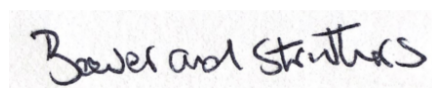
- We obtained an understanding of laws, regulations and guidance that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Co-operative and Community Benefit Societies Act 2014, 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 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 regulated nature of the Association's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of our report

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

Beever and Struthers
Statutory Auditor
St George's House
215-219 Chester Road
Manchester M15 4JE



Date: 21/09/2022

Alpha (RSL) Limited

Statement of Comprehensive Income for the year ended 31 March 2022

	Notes	2022 £	2021 £
Turnover	2	7,125,075	6,302,378
Operating expenditure	2	(5,698,698)	(4,829,869)
Operating Surplus		<u>1,426,377</u>	<u>1,472,509</u>
Interest receivable	6	172	2,762
Interest payable and financing costs	6	(461,510)	(371,908)
Surplus and total comprehensive income for the year	7	<u><u>965,039</u></u>	<u><u>1,103,363</u></u>

All amounts relate wholly to continuing activities and the notes on pages 31 to 46 form an integral part of these financial statements.

The financial statements on pages 27 to 46 were approved and authorised for issue by the Board on 13 September 2022 and were signed on its behalf by:

Board Member:

Board Member:

Secretary:

Alpha (RSL) Limited
Statement of Financial Position as at 31 March 2022

	Notes	2022 £	2021 £
Fixed Assets			
Tangible housing properties	10	41,582,325	40,288,334
Tangible head office property	10	312,531	-
Other tangible fixed assets	10	761,088	795,862
		<u>42,655,944</u>	<u>41,084,196</u>
Current Assets			
Stock		0	1,554
Trade and other debtors	11	348,990	531,729
Cash and cash equivalents	12	1,851,116	1,292,867
		<u>2,200,106</u>	<u>1,826,150</u>
Less Creditors			
Amounts falling due within one year	13	2,470,993	2,293,104
Net current (liabilities)		<u>(270,887)</u>	<u>(466,954)</u>
Total assets less current liabilities		<u>42,385,057</u>	<u>40,617,242</u>
Creditors			
Amounts falling due after more than one year	14	23,968,413	23,165,617
Total net assets		<u>18,416,644</u>	<u>17,451,625</u>
Reserves			
Non equity share capital	18	43	63
Income and expenditure reserve		17,947,440	17,053,574
Service charge reserve	19	469,162	397,988
Total reserves		<u>18,416,644</u>	<u>17,451,625</u>

The financial statements on pages 27 to 46 were approved and authorised for issue by the Board on 13 September 2022 and were signed on its behalf by:

Board Member:

Board Member:

Secretary:

The notes on pages 31 to 46 form an integral part of these financial statements.

Alpha (RSL) Limited
Statement of Changes in Reserves as at 31 March 2022

	Income and Expenditure Reserve	Service Charge Reserve	Non- Equity Share Capital	Total Reserves
	£	£	£	£
Balance as at 1 April 2020	15,923,822	424,377	75	16,348,274
Transfer from Income and Expenditure Reserve to Service Charge Reserve	26,389	(26,389)	0	0
Surplus from Statement of Comprehensive Income	1,103,363	0	(12)	1,103,351
Balance at 31 March 2021	17,053,574	397,988	63	17,451,625
Transfer from Income and Expenditure Reserve to Service Charge Reserve	(71,174)	71,174	0	0
Surplus from Statement of Comprehensive Income	965,039	0	(20)	965,019
Balance at 31 March 2022	17,947,440	469,162	43	18,416,644

The notes on pages 31 to 46 form an integral part of these financial statements.

Alpha (RSL) Limited
Statement of Cashflows for the year ended 31 March 2022

	Notes	2022 £	2021 £
Net cash generated from operating activities	i	3,014,832	2,460,888
Cash flow from investing activities			
Purchase of tangible fixed assets		(3,080,052)	(7,930,887)
Purchases/sales of other fixed assets		(298,665)	(444,478)
Grants received		1,260,383	280,934
Interest received		172	2,762
		<u>(2,118,163)</u>	<u>(8,091,669)</u>
Cash flow from financing activities			
Interest paid		(461,510)	(371,908)
Issue of ordinary shares	2	2	0
New secured loans		1,000,000	6,830,000
Repayment of borrowings		<u>(876,911)</u>	<u>(752,988)</u>
		<u>(338,419)</u>	<u>5,705,104</u>
Net change in cash and cash equivalents		558,248	74,323
Cash and cash equivalents at beginning of the year		1,292,867	1,218,542
Cash and cash equivalents at end of the year		1,851,115	1,292,867
Note i		2022 £	2021 £
Cash flow from operating activities			
Surplus for the year		965,039	1,103,363
Adjustments for non-cash items:			
Depreciation of tangible fixed assets		1,595,403	1,037,240
Amortisation of intangible assets		(256,297)	(105,363)
Share capital cancelled		(22)	(12)
Decrease / (Increase) in trade and other debtors		184,293	(314,162)
Increase / (Decrease) in trade and other creditors		65,079	370,675
Adjustments for financing activities:			
Interest received		(172)	(2,762)
Interest payable		461,510	371,908
Net cash generated from operating activities		<u><u>3,014,832</u></u>	<u><u>2,460,888</u></u>

The notes on pages 31 to 46 form an integral part of these financial statements.

Alpha (RSL) Limited

Notes to the Financial Statements for the year ended 31 March 2022

Legal status

Alpha (RSL) Limited is incorporated in England and Wales under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Housing Association. The registered office is Poppyfields, Woodpecker Close, Upton, Wirral, CH49 4AA. Alpha RSL Limited principal activity is to provide social housing.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are prepared on the historical cost basis of accounting and are presented in sterling £ for the year ended 31 March 2022.

The financial statements have been prepared in compliance with FRS 102.

Critical accounting judgements and key sources of estimation uncertainty

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

a: Development Expenditure. The housing association capitalises development expenditure in accordance with the accounting policy described on page 35/36. Initial capitalisation of costs is based on management's judgement that the development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

b: Categorisation of housing properties. The housing association has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the housing association considers all properties being held for social benefit.

Other key sources of estimation and assumptions

The housing association undertakes a review of its bad debt provision annually. The provision is determined by using the former resident arrears as at each year-end.

Financial Instruments

Financial Instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets on the company after deducting all of its liabilities.

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Going concern

The housing association'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 we therefore consider it appropriate to continue to prepare the financial statements on a going concern basis.

The Board has also considered the impact of the Covid-19 crisis upon the business. There is no evidence to suggest that voids or arrears are deteriorating, voids remain at 1.68% (1.54% 2021) and rent collection was 98.06% (100.62% 2021), both to 31.03.22. Cash flow remains positive with £2.65m available to draw to 31.08.23 and all loan covenants remaining fully compliant with plenty of head room available. The Board has therefore considered the assessment of going concern and it has concluded that there is no material uncertainty in this regard.

Holiday pay accrual

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

Impairment

Section 27 of FRS102 requires the housing association to assess whether any indicator of impairment exists at the end of the financial year. The Board do not consider Covid19 being a trigger for an impairment review as there is no indication that the balance sheet values of our housing properties may exceed their actual net realisable value.

Leasing and hire purchase

Where assets are financed by hire purchase contracts and leasing agreements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor in creditors. They are depreciated over the shorter of the lease term and their economic useful lives.

Leases are treated as operating leases and payments are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income in the year in which the redemption took place.

Property managed by agents

Where the housing association carries the majority of the financial risk on property managed by agents, income arising from the property is included in the Statement of Comprehensive Income Account.

Where the agency carries the majority of the financial risk, income includes only that which relates solely to the housing association.

In both cases, the assets and associated liabilities are included in the housing association's Statement of Financial Position.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Provision for Doubtful Debts

The provision is calculated using the former resident arrears position as at 31 March 2022. The provision used at the reporting date have been reviewed in light of Covid 19 and judged to remain prudent and appropriate.

Service Charge Reserve

The housing association holds a service charge reserve which relates to variable service charge heading of usage. This reserve can only be utilised in accordance with the wishes of the funder. Movements in reserves are show in the Statement of Changes in Equity.

Retirement benefits

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

The disclosures in the accounts follow the requirements of Section 28 of FRS 102.

Service charges

Service charge income and costs are recognised on an accruals basis. The housing association operates variable service charges on a scheme-by-scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered they are held as creditors or debtors in the Statement of Financial Position.

Social Housing and other government grants

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

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

Stock

Stock of materials are stated at the cost of purchase on a first in, first out basis.

Support income and costs including Supporting People income and costs

Supporting People (SP) contract income received from Administering Authorities is accounted for as SP income in the Turnover as per note 2. The related support costs are matched against this income in the same note.

Support charges included in the rent are included in the Statement of Comprehensive Income from social housing lettings note 3 and matched against the relevant costs.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities and Homes England and other income and are recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available to let, net of voids. Supporting people income is recognised under the contractual arrangements.

Value Added Tax

The housing association is not registered for VAT. Accordingly, no VAT is charged to residents and expenditure in the income and expenditure account includes the relevant VAT.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation.

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

Freehold land is not depreciated.

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

The housing association depreciates freehold housing properties by component on a straight-line basis over the estimated UEL's of the component categories.

UEL's for identified components are as stated overleaf.

The association depreciates housing properties held on long term leases in the same manner as freehold properties.

Depreciation is charged on other tangible fixed assets over the expected useful economic lives using the rates and methodology outlined below:

	Percentage
* Office furniture and equipment (reducing balance)	15%
* Laundry and other communal equipment (straight line)	20%
* Computer equipment (straight line)	33.33%
* Computer software and infrastructure (straight line)	20%

1. PRINCIPAL ACCOUNTING POLICIES (continued)
Tangible fixed assets and depreciation (continued)

Component	Life Cycle
Bathroom - Communal Main	20
CCTV	10
Communal Ceilings	20
Communal Lighting	30
Emergency Lighting	15
External Landlord Doors Auto Entrance	20
Fire Alarm System Detectors Upgrade	15
Fire Alarm System Main	30
Fire Compartmentation Works	40
Flat External Doors	60
Flat Heating Units Space	20
Flat Heating Water	20
Internal Landlord Doors	60
Kitchen - Communal	15
Landlord Electrics Main	30
Landlord Electrics Lightning Protection	40
Landlord Heating Common Areas	25
Landlord Heating Hot Water and Tanks	20
Landlord Heating Primary Source Space	25
Landlord Heating Ventilation Systems	30
Lift Main	30
Lift Overhaul	15
Managers Accommodation Main	60
Managers Accommodation Kitchen	20
Managers Accommodation General Décor	10
Managers Accommodation Bathroom	30
Miscellaneous EV Charging Points	15
Miscellaneous Frontage Enhancement	20
Miscellaneous Asbestos	30
Miscellaneous TV Aerials, Dishes, Cables, etc	15
Miscellaneous External Lighting	15
Miscellaneous Boundary Walls and Perimeters	40
Miscellaneous Fencing and Cyclical	15
Miscellaneous Paths and Access Areas	10
Miscellaneous Scooter Sheds	15
Miscellaneous Guest Room Overhaul	10
Miscellaneous Car Parks	25
Miscellaneous Conversion Factor	60
Miscellaneous Managers Office Overhaul	10

Alpha (RSL) Limited

Notes to the Financial Statements for the year ended 31 March 2022

1. PRINCIPAL ACCOUNTING POLICIES (continued) Tangible fixed assets and depreciation (continued)

Component	Life Cycle
Resident Bathroom - Bathroom Fans	10
Resident Bathroom - Electric Shower	15
Resident Bathroom - Main	30
Resident Bathroom - Sanitary Fittings	30
Resident Electrics Consumer Unit	15
Resident Electrics Main	30
Resident Kitchen - Conversion	20
Resident Kitchen - Kitchen Fans	10
Resident Kitchen - Main	20
Roof - Line Fascia's and Soffits	25
Roof - Line Rainwater Goods	25
Roof - Structure Flat Membrane	30
Roof - Structure Traditional Tile	50
Sprinkler System Main	30
Structure Brickwork, Pointing etc.	30
Structure Wall	80
Warden Call Main	30
Windows - Communal Main	30
Windows - Flats Main	30

2. SURPLUS PARTICULARS OF TURNOVER, COST OF SALES, OPERATING EXPENDITURE & OPERATING

	2022			
	Turnover	Cost of sales	Operating expenditure	Operating surplus
SOCIAL HOUSING LETTINGS (Note 3)	6,840,287	-	5,438,482	1,401,805
OTHER SOCIAL HOUSING ACTIVITIES:				
Supporting people income	37,341	-	37,341	-
Support services income	89,209	-	74,741	14,468
Meal service income	142,999	-	147,614	(4,615)
Other	15,239	-	520	14,719
TOTAL	7,125,075	-	5,698,698	1,426,377

Alpha (RSL) Limited

Notes to the Financial Statements for the year ended 31 March 2022

2. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING EXPENDITURE & OPERATING SURPLUS (continued)

			2021	
	Turnover	Cost of sales	Operating expenditure	Operating surplus
SOCIAL HOUSING LETTINGS (Note 3)	6,102,356	-	4,651,393	1,450,963
OTHER SOCIAL HOUSING ACTIVITIES:				
Supporting people income	42,023	-	42,023	-
Supporting services income	65,569	-	66,751	(1,182)
Meal service	54,173	-	69,160	(14,987)
Other	38,257	-	542	37,715
TOTAL	6,302,378	-	4,829,869	1,472,509

3. PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	2022	2021
INCOME		
Rent receivable net of identifiable service charges and net of voids	3,769,102	3,439,990
Service charge income	2,814,888	2,557,003
Amortised government grants	256,297	105,363
Total turnover from social housing lettings	6,840,287	6,102,356
OPERATING EXPENDITURE		
Management	1,577,013	1,364,807
Service charge costs	2,271,144	2,183,121
Routine maintenance	258,862	192,703
Planned maintenance	6,411	13,625
Major repairs expenditure	59,917	68,516
Bad debts	3,172	35,087
Depreciation of Housing Properties	1,251,882	793,534
Depreciation of Head Office Property	10,081	-
Total operating expenditure on social housing lettings	5,438,482	4,651,393
OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS	1,401,805	1,450,963

Void losses being rental income lost as a result of property not being let including available for letting and unavailable for letting due to major refurbishment works was £105,525 (sheltered units) and £80,519 (extra care new build first time lets from handover 12 July 2021 to fully let 30 November 2021) for the year (2021 : £94,384 sheltered units only).

4. ACCOMMODATION OWNED, MANAGED AND IN DEVELOPMENT

	2022		2021	
	No. of Properties		No. of Properties	
	Owned	Managed By Other Bodies	Owned	Managed By Other Bodies
Under development at end of year				
Housing for older people	<u>0</u>	<u>0</u>	<u>78</u>	<u>0</u>
Social rents	882	-	882	-
Affordable rents	78	-	-	-
Under management at end of year				
Housing for older people	<u>960</u>	<u>0</u>	<u>882</u>	<u>0</u>

5. ACCOMMODATION MANAGED BY OTHERS

The PRP owns property managed by other bodies.

	2022	2021
	No. of Properties	No. of Properties
Housing for older people	<u>34</u>	<u>34</u>

6. NET INTEREST

	2022	2021
Interest receivable and similar income		
On financial assets measured at amortised cost:		
Interest receivable from current accounts / short term deposits	<u>172</u>	<u>2,762</u>
	<u>172</u>	<u>2,762</u>
Interest payable and financing costs		
On financial liabilities measured at amortised cost:		
On loans wholly or partly repayable in more than five years	<u>461,510</u>	<u>371,908</u>

7. SURPLUS ON ORDINARY ACTIVITIES

	2022	2021
	965,039	1,103,363
Is stated after charging:		
Auditors remuneration (excluding VAT)		
In their capacity of auditors	5,933	5,638
In respect of other services	1,500	4,146
Operating lease payments		
Company vehicles	10,752	7334
Office equipment	6,964	44,005
Depreciation of housing properties	1,251,882	793,534
Depreciation of head office property	10,081	-
Depreciation of other fixed assets	333,440	243,706

8. KEY MANAGEMENT PERSONNEL REMUNERATION

Directors (key management personnel) are defined as the members of the Board, the Chief Executive and any other person who is a member of the Senior Leadership Team or its equivalent. Total Remuneration amounted to £287,431 (2021 : £268,518)

Remuneration for executive directors for the year ended 31 March 2022:

	2022	2021
Wages and salaries	286,889	268,182
Expense allowances	542	336
Pension costs	17,213	16,091
Total	304,644	284,609

Remuneration payable to the highest paid director in relation to the period of account amounted to £106,355 (2021 : £103,052) excluding pension contributions.

Graeme Foster is the Chief Executive of Alpha RSL Limited. He received remuneration for the year ending 31 March 2022 totalling £106,355 (2021 : £103,052).

The Chief Executive, Graeme Foster, is an ordinary member of the pension scheme. The pension scheme is a defined contribution scheme funded by annual contributions by the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by the PRP of £6,381 (2021 : £6,183) was paid in addition to the personal contributions of the Chief Executive.

8. KEY MANAGEMENT PERSONNEL REMUNERATION (continued)

Non-Executive Board member remuneration for the year ended 31 March 2022:

	2022	2021
Janet Atherton	2,000	2,000
Gill Bennett	2,000	2,000
Dan Bradley	2,000	2,000
Peter Gibbs	2,000	333
Geoff Greenwood	-	2,292
Sarah Harvey	-	500
Lorri Holding	2,000	2,000
Sue Lorimer	667	2,000
Dawn Morris	2,000	333
Claire Taylor	5,000	3,636
Kieran Timmins	2,500	2,500
	<u>20,167</u>	<u>19,594</u>

9. EMPLOYEE INFORMATION

	2022	2021
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:		
Head Office	15	17
Development Managers	20	20
Housekeepers, Handypersons and Luncheon Club Staff	<u>21</u>	<u>28</u>
	<u>56</u>	<u>65</u>
Staff costs (for the above persons)		
Wages and salaries	1,514,819	1,425,777
Social Security costs	114,451	99,538
Pension costs	72,627	65,835
Medical cash plan	<u>7,886</u>	<u>7,879</u>
	<u>1,709,783</u>	<u>1,599,029</u>

The PRP operates a defined contribution pension scheme open to all employees in accordance with the rules under the Pensions Act 2008. A contribution of 6% is made by the PRP to all those eligible. There are no additional pension arrangements, enhanced or special terms applicable. At 31 March 2022 £733 was outstanding in respect of unpaid pension contributions (2021 : £Nil).

Aggregate number of full time equivalent staff whose remuneration (including compensation for the loss of office) exceeded £60,000 in the period:

£60,000 - £70,000	2
£70,001 - £80,000	-
£80,001 - £90,000	-
£90,001 - £100,000	-
£100,001 - £110,000	1

Alpha (RSL) Limited

Notes to the Financial Statements for the year ended 31 March 2022

10. TANGIBLE FIXED ASSETS

	Total Housing Properties	Head Office Property	Furniture and Equipment	Computer and Software	Office Equipment	Total Fixed Assets
COST						
At start of the year	45,746,639	-	655,408	1,094,673	2,980	47,499,700
Additions	912,484	322,612	104,468	131,300	62,897	1,533,761
Capitalisation of components	1,633,388	-	-	-	-	1,633,388
Disposals	(163,803)	(500)	(6,044)	-	(792)	(171,139)
At end of the year	48,128,708	322,112	753,832	1,225,973	65,085	50,495,711
DEPRECIATION						
At start of the year	5,458,305	-	421,515	533,797	1,886	6,415,504
Charge for year	1,251,882	10,081	98,292	225,131	10,017	1,595,403
Disposals	(163,803)	(500)	(6,044)	-	(792)	(171,139)
At end of the year	6,546,384	9,581	513,763	758,928	11,111	7,839,768
NET BOOK VALUE AT END OF THE YEAR	41,582,325	312,531	240,069	467,045	53,974	42,655,944
Net book value at start of the year	40,288,334	-	233,893	560,876	1,093	41,084,196

Housing Properties Additions:

This relates to the completion of our new build 78 unit extra care development, Poppyfields, in Upton, Wirral that was handed-over to Alpha on 12 July 2021. The additions figure of £912,484 to 31 March 2022 (2021 : £5,783,937) comprises of costs associated to this project. The total costs of the project are £12,646,158 at 31 March 2022 out of the total housing properties of £48,128,708. This new build project also incorporated office space for the registered head office which subsequently relocated to the development and is now shown separately under head office property.

10. TANGIBLE FIXED ASSETS (continued)

Housing Properties comprise:

	2022	No.	2021	No.
	£		£	
Freeholds	32,657,165	707	31,588,495	629
Long leaseholds	8,925,160	253	8,699,839	253
	<u>41,582,325</u>	<u>960</u>	<u>40,288,334</u>	<u>882</u>

Cost of Properties include:

2022	2021
£	£
-	-

Direct administrative costs capitalised during the year

Works to existing properties in the year:

Capitalised as above	1,633,388	1,699,840
Expensed	59,917	68,516
Total for year	<u>1,693,305</u>	<u>1,768,356</u>

Land and buildings with a historic book value of £23,592,539 (2021 : £23,094,453) have been pledged to secure borrowings of the Association. The Association is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Alpha (RSL) Limited

Notes to the Financial Statements for the year ended 31 March 2022

11. TRADE AND OTHER DEBTORS

	2022	2021
Rent Arrears	132,533	118,120
Other Debtors	16,043	-
Less: provision for bad debts	(14,934)	(33,696)
Grant Receivable	-	283,511
Prepayment and accrued income	215,348	163,794
	<u>348,990</u>	<u>531,729</u>

Debtors are all due within one year

12. CASH AND CASH EQUIVALENTS

	2022	2021
Cash at bank	<u>1,851,116</u>	<u>1,292,867</u>

In the above are balances totalling £1,848,387 (2021 : £1,289,982) charged to Lloyds directly related to the borrowing facility

13. CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	2022	2021
Loans (see note 15)	1,009,353	885,127
Rents and service charges paid in advance	176,481	167,531
Trade creditors	269,270	161,468
Capital creditors	166,247	377,815
Other taxation and social security payable	31,150	31,708
Accruals	511,999	564,313
Deferred capital grant (see note 17)	306,494	105,142
	<u>2,470,993</u>	<u>2,293,104</u>

Loans are secured by housing properties, see note 15

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

	2022	2021
Loans (see note 15)	13,770,007	13,771,143
Deferred capital grant (see note 17)	10,181,069	9,378,336
Leaseholder sinking funds	17,337	16,138
	<u>23,968,413</u>	<u>23,165,617</u>

Loans are secured by housing properties, see note 15

15. DEBT ANALYSIS

	2022	2021
Loans repayable by instalments		
Within one year	1,009,353	885,127
In one year or more but less than two years	1,042,015	954,968
In two years or more and less than five years	3,340,609	3,055,194
In five years or more	9,387,383	9,760,981
Total loans	<u>14,779,360</u>	<u>14,656,271</u>

15. DEBT ANALYSIS (continued)

These loans are secured by specific charges on the PRP's individual housing properties and repayable monthly at varying rates of interest and are due to be repaid in 2029, 2031 and 2037.

A 5-year facility with Lloyds of £11,000,000 was agreed in July 2016, along with an additional 3-year facility of £4,650,000 in February 2019, of which £2,650,000 is undrawn as at 31 March 2022 (facility extended until August 2023).

The interest rate profile of the PRP at 31 March 2022 was:

	Total £m	Variable rate £m	Fixed rate £m	Interest rate %
Lloyds - 100% fixed	14,560,055		14,560,055	2.87%
Lloyds - 100% variable	219,305	219,305		3.45%
	<u>14,779,360</u>	<u>219,305</u>	<u>14,560,055</u>	

At 31 March 2022 the PRP has no undrawn or undrawn committed facilities.

16. ANALYSIS OF CHANGES IN NET DEBT

	At Beginning of the Year	Cash Flows	Non- Cash Move- ments	At End of the Year
Cash and Cash Equivalents	1,292,867	558,249	0	1,851,116
Housing Loans Due in One Year	(885,127)	(124,226)	0	(1,009,353)
Housing Loans Due After One Year	(13,771,143)	1,136	0	(13,770,007)
	<u>(13,363,404)</u>	<u>435,160</u>	<u>0</u>	<u>(12,928,244)</u>

17. DEFERRED CAPITAL GRANT

	2022	2021
At start of the year	9,483,477	9,307,906
Grant received in the year	1,260,383	280,934
Released to income in the year	(256,297)	(105,363)
At the end of the year	<u>10,487,563</u>	<u>9,483,477</u>
Amount due to be released < 1 year	306,494	105,142
Amount due to be released > 1 Year	<u>10,181,069</u>	<u>9,378,336</u>
	<u>10,487,563</u>	<u>9,483,477</u>

Alpha (RSL) Limited

Notes to the Financial Statements for the year ended 31 March 2022

18. NON-EQUITY SHARE CAPITAL

	2022	2021
Allotted Issued and Fully Paid		
At the start of the year	63	75
Issued during the year	2	0
Cancelled during the year	(22)	(12)
At the end of the year	<u>43</u>	<u>63</u>

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding-up and are not redeemable. Each share has full voting rights. All shares are fully paid.

19. SERVICE CHARGE RESERVE

	2022	2021
At start of the year	397,988	424,377
Collected during the year	186,080	188,700
Spent during the year	(114,907)	(215,090)
At the end of the year	<u>469,162</u>	<u>397,988</u>

Service charge reserve is for the monies collected in relation to the advance recovery of the replacement cost of certain communal assets, over their assigned life cycles, that are considered service charge items for maintenance and repair.

20. CAPITAL COMMITMENTS

	2022	2021
Capital expenditure that has been contracted for but has not been provided for in the financial statements	499,810	1,859,462
Capital expenditure that has been authorised by the Board but has not yet been contracted for	<u>1,186,079</u>	<u>2,613,217</u>
	<u>1,685,889</u>	<u>4,472,680</u>

The above expenditure will be funded by existing cash reserves and undrawn loan facilities. There are no performance conditions to the above commitments.

21. OPERATING LEASES

The PRP holds vehicles and office equipment under non-cancellable operating leases. At the end of the year the PRP had commitments of future minimum lease payments as follows:

	2022	2021
In one year or less	513	4212
In one year or more but less than two years	10,608	375
In two years or more and less than five years	14,234	-
In five years or more	-	-
	<u>-</u>	<u>-</u>

Alpha (RSL) Limited
Notes to the Financial Statements for the year ended 31 March 2022

22. TAXATION STATUS

The Association has charitable status.

23. RELATED PARTIES

The Association has no related party transactions to declare for year-ending 31 March 2022.

For year-ending 31 March 2021 and 31 March 2022, the Board had no resident members who held a tenancy agreement on normal terms.