



alpha

shaped around you

# 2022/23 Annual Report and Financial Statements



## Alpha (RSL) Limited Information for the year ended 31 March 2023

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 (until 13.09.22)  
Gill Bennett  
Dan Bradley (until 13.09.22)  
Nick Cumberland (co-opted 23.05.23)  
Steve Eaves (from 13.09.22) (Chair) (from 23.05.23)  
Peter Gibbs  
Lorri Holding  
Ben Jones (co-opted 07.03.23)  
Dawn Morris  
Claire Taylor (Chair) (until 31.03.23)  
Kieran Timmins (Chair of Audit, Risk & Remuneration /  
Vice Chair)  
Laura Wood (co-opted 10.10.22)

Secretary                          Darren Watmough

Bankers                              Lloyds Bank PLC  
7th Floor  
40 Spring Gardens  
Manchester, M2 1EN

Auditors                            Beever & Struthers  
One Express<sup>™</sup>  
1 George Leigh St  
Manchester  
M4 5DL

Solicitors                           Brabners LLP  
Horton House  
Exchange Flags  
Liverpool  
L2 3YL

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## Alpha (RSL) Limited

### Foreword from the Chair

I am delighted to introduce Alpha's financial statements for 2022/23. This has been another year of progress.

I am especially delighted with the work carried out to define and refine Alpha's values. As a specialist provider of housing for older people, we hold a very important position. We have consulted extensively with residents, colleagues and board members, and I think the values really do reflect the core of what we do and what we aim for. Our new corporate strategy will launch in July 2023, setting out clear plans and targets for the next 5 years.



As a new Chair, I've been really impressed by the energy and dedication of all Alpha colleagues. It's a cliché I know, but we really do make a difference and it's heartening to see really vibrant and supportive communities help people to be the best possible version of themselves.

During the year we concluded an agreement with Clydesdale Bank for a £10m revolving credit facility. This ensures our development plans, including an 80-unit extra care lite development in North Wirral are fully funded. Importantly, the board has also identified acquisitions as an important area for further growth and we are already talking to North-West based providers.

The board has debated Alpha's future and agreed that we are best placed as a strong and independent organisation. Collaboration and shared services help us to maintain our independence and also to enhance the depth and breadth of our skills and experience. Our partnership with Wirral Methodist HA has resulted in some shared posts and the joint purchase of a development site. Our close working is delivering real results for our communities.

Finally, I'd like to pay tribute to Claire Taylor who stepped down as Chair in March 2023 to take up a new job opportunity. Claire's positive and thoughtful leadership has made a huge difference and her energy and intellectual challenge will be missed. The next year promises to be an exciting period of growth and I feel privileged to be able to play a part in this.

Steve Eaves

Chair, Alpha Living

## Alpha (RSL) Limited Board Report for the year ended 31 March 2023

### Overview

The Board of Alpha (RSL) Limited, trading as Alpha Living, presents its report and audited financial statements for the year ended 31<sup>st</sup> March 2023.

Our principal activities are the management, maintenance and development of affordable homes to rent. Our purpose is to help everyone be the best possible version of themselves, and our mission is to make a difference to as many people as possible by creating exciting, affordable places to live where every individual can thrive. We celebrate later life and are driven by our passion and values.

As a specialist provider of older persons' housing we see ourselves as much more than a landlord. We are a growing, innovative and agile provider of housing and services for older people. Our ambition is to be the go-to provider for older people, and we have a clear corporate strategy to support these aims.

As at 31 March 2023, Alpha managed 960 homes split across the following types:

Type	At 31 March 2023
Studio apartments	136
One bedroom apartments	794
Two bedroom (or more) apartments	30
<b>Total homes</b>	<b>960</b>

Type	At 31 March 2023
Social rent	882
Affordable Rent	78

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

Local Authority	Number of Homes
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 (RSL) Limited Board Report for the year ended 31 March 2023

Alpha is registered with and regulated by the Regulator of Social Housing. It is required to comply with the regulatory framework for social housing. In addition, Alpha has adopted the 2020 National Housing Federation (NHF) Code of Governance. 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, Directors of Finance & Resources, Asset Management and Housing, who also attend all Board meetings.



### Objectives and strategy

Alpha has an over-arching corporate strategy 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 had 3 key aims in our corporate plan which ran to the end of the financial year:

## Alpha (RSL) Limited

### Board Report for the year ended 31 March 2023

#### 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
- 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.

A new corporate plan was adopted by Board in 2023 which reflects our new values framework which was developed in conjunction with our tenants, our staff, our Board, and other stakeholders.

This is underpinned by our values which were formally adopted by our Board in January 2023, and are:

#### **Brave and bold.**

We create a space for belonging and inspire our residents, colleagues and customers to be the best possible version of themselves, to make bold choices, grow, learn and excel.

#### **Compassionate**

We put the person at the heart of everything we do and celebrate the diversity of our residents, colleagues and customers. We don't just say we care; our actions show we care.

## Alpha (RSL) Limited

### Board Report for the year ended 31 March 2023

#### Honest

We are open and honest; we value and respect each other's opinions and thoughts. We are inclusive in our interactions and encourage others to be the same.

#### Positive

We are inclusive in our approach, we are resilient and focused on delivering the best possible outcomes for our residents, colleagues and customers.

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. Over the course of the year, we have worked with residents including Access Alpha, a panel of 40 residents who are consulted on all key policy issues.

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 significant investment programme in the homes we manage, and in the final phase of this programme we incurred almost £1.8m during the financial year. 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 periodically to identify trends and to ensure appropriate investment.

Our business plan provides for significant future investment in delivering our environmental objectives, ensuring all our properties reach EPC C well in advance of the regulatory requirement to do so, and providing for further works to our properties as part of our journey towards carbon neutrality.

#### Growth

Alpha will grow. We constantly review our approach and believe that successful housing needs to be attractive and to have a sense of community where people can live their best lives. We already place a huge emphasis on getting to know our residents and understand their needs; ensuring we provide appropriate support and an exciting environment for them to thrive. We look forward to welcoming our next generation of residents and we know 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.



## Alpha (RSL) Limited

### Board Report for the year ended 31 March 2023

The popularity of our state of the art extracare scheme Poppyfields, developed in 2021 and with its first full year in management in 2022/23, demonstrated the demand for high quality accommodation in a community setting for older people and we seek to develop further extra-care homes, inspired by our experience of making Poppyfields a reality. Over the last financial year, we have worked with a wide range of partners to realise a similar scheme at Pasture Road in Moreton, Wirral, and with their support, we hope construction of this development will begin in 2023/24, and will create 80 new homes sometime in 2025.

We recognise the enormous benefits that working with other organisations which share our values can bring, and to help deliver our growth ambitions, we acquired a site at Hamilton Street, Birkenhead, with another local housing association. This will be our next major new-build development following the completion of Pasture Road.

Building new homes for people is only part of our growth plans. We have had discussions with other housing providers over the course of the year about the future of their accommodation for older people's living. We believe that Alpha's approach can bring real value to the lives of tenants and we will grow by acquiring existing properties from other housing providers where we believe we can add value and when doing so fits within the financial and risk parameters set by our Board.

#### Partners

We work closely with another local housing association, Wirral Methodist Housing Association. With them we acquired the future development site at Hamilton Street. We also jointly employ a Development Lead to identify and manage growth projects and a Rent, Service Charge and Procurement Manager to help optimise value for money for our respective organisations and our residents and ensure we comply with legislation and regulation in these areas. We actively consider other opportunities to work in partnership better to achieve our objectives. 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 £15.35m borrowing facility through Lloyds Bank PLC with a total of £13.2m being drawn to 31 March 2023, and during the year we agreed a £10m revolving credit facility with Clydesdale Bank. These undrawn facilities amounting to £12.15m will ensure Alpha is fully funded throughout the lifetime of the current 30-year business plan.

Alpha's debt is now heavily fixed (98.7% of borrowings) reducing the risk of interest rate changes. Debt is fixed at an average rate of 3.09%.

## Alpha (RSL) Limited Board Report for the year ended 31 March 2023

### Internal control statement

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by Alpha is ongoing and has been in place throughout the period commencing 1 April 2022 up to the date of approval of the annual report and financial statements.

Key elements of the internal control framework include:

regular reporting to the Board on strategic objectives, financial and operating targets and outcomes including loan covenant compliance and liquidity requirements; health & safety compliance; complaints monitoring;

a comprehensive approach to treasury management including an approved annual treasury management strategy, policy and practices which are subject to specialist independent review on an annual basis;

robust strategic and business planning processes, with a group corporate plan, detailed financial plan, budgets and forecasts that are regularly stress tested against a range of possible scenarios with recovery plans to mitigate the impact should these crystallise;

an assets & liabilities register to ensure that we understand our housing assets and security position and boards and management have swift access to this information in decision making and risk management;

a series of self-assessments to give assurance that we are meeting the requirements set out in our adopted Code of Governance (National Housing Federation 2020) and the Regulator of Social Housing's Regulatory Framework and that any areas of non-compliance are reported;

a risk management framework that clearly defines management responsibilities for the identification, evaluation and control of significant risks. There is a continual review of risks across the group that are then reported to the Audit, Risk and Remuneration Committee; the Senior Leadership Team have provided assurance that they understand and have reviewed the key risks that impact their areas of the business and that they are satisfied the right levels of internal controls are in place;

## Alpha (RSL) Limited Board Report for the year ended 31 March 2023

established financial regulations including authorisation and appraisal procedures for all significant new initiatives and investment commitments;

governance related policies including whistle-blowing up and anti-fraud policies;

an annual programme of internal audit reviews that are set and delivered under a risk-based methodology;

audit recommendations are tracked by the Audit, Risk and Remuneration Committee to ensure they are implemented within the agreed timescales;

a series of reviews have been undertaken by the Asset Team and independent third parties in order to provide an assessment of the extent to which Alpha can demonstrate that the current management and monitoring arrangements for the identified compliance areas are fit for purpose, comply with current legislative requirements and housing best practice and that delivery of the service is in accordance with the written policies and procedures currently in place;

recruitment, management and retention of board members, management and staff with the skills and competencies to ensure effective governance and management; and

a governance framework that includes Board approved terms of reference and delegated authorities for the Audit, Risk and Remuneration Committee.

The Board delegates authority to review elements of the systems of internal control to the Audit, Risk and Remuneration Committee. The Board receives minutes of the Audit, Risk and Remuneration Committee meetings.

### Effectiveness

The systems described above have been active during the course of the year and up the date of signing the accounts. Elements of the system were reviewed and renewed in accordance with normal timescales.

The systems identified no frauds during the course of the year.

During the year an external review of our Business Plan identified a material error in the plan. Board convened a Task and Finish Group to review the plan further and to propose a future assurance mechanism to ensure the integrity of Business Plan data. The Task and Finish group identified and rectified further errors in the plan, subjected the plan to an independent external specialist review and proposed future assurance arrangements to Board

During the course of the year one control failure was identified and following review by the Audit Risk and Remuneration Committee new controls were put in place to minimize the risk of recurrence.

One major risk crystallised during the course of the year (a fire at a sheltered scheme) and Board secured assurance that processes and procedures were correctly followed.

## Alpha (RSL) Limited Board Report for the year ended 31 March 2023

### 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 that Alpha has reasonable and effective risk management, control and governance processes.

Whilst Alpha has ambitious growth objectives, these are not delivered by compromising on the investment needs of our existing homes. Our risk register identifies the need to monitor demand and sustainability. We do this routinely and formalise this in the asset management strategy which was adopted by Board in September 2022 and is reviewed every two years.



Strategic risk	Risk score (1-25)	Key controls and mitigations
<b>Income</b> Rent and service charge income does not cover costs. Inflation risk.	16	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 this risk.
<b>Growth</b> Failure to take opportunities, or poor decisions made placing the organisation at risk.	16	Alpha has adopted an 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
<b>Grey swan events</b> 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.
<b>Government policy</b> The Social Housing Regulation Act and the emerging building safety and consumer regulation agendas 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.
<b>Organisational capacity</b> 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.
<b>Major incident/health and safety</b> 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.
<b>Asset management</b> 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. 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
<b>Governance</b> Poor decision making, unable to attract relevant skills, or non-compliance with regulatory requirements.	9	Risks remain 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.
<b>Reputation</b> 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.
<b>Funding and debt</b> 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.

## Alpha (RSL) Limited

### Board Report for the year ended 31 March 2023

An independent stock condition survey completed to 100% of properties in 2021 gives us more robust information on our assets and investment profile and serves us in good stead as we prepare to deliver energy efficiency works to our homes. We are also working with external advisers on the art of the possible in making our buildings more thermally efficient and the use of greener energy. Identification of any urgent hazards including damp and mould were also commissioned as part of the Housing Health & Safety Hazard (HHSRS) rating system with none identified. Following the publication of the inquest report of the tragic death of Awaab Ishak, the sector's focus during the later part of 2022 was on identifying and prioritising damp. Mould and condensation issues Alpha has robust processes in place to review historical repairs data for any trends in reporting issues and ensure any reports are fully investigated and documented.

Government policy remains a key risk. Stability and certainty around the future levels of rent increases are a key risk for Alpha. The long-awaited passage of the Social Housing Bill in summer 2023 and the introduction of the new consumer regulation regime by the Regulator of Social Housing will drive positive change throughout the sector but will create new risks for social housing providers.

Wider economic issues will affect us. Base rates rose constantly throughout the year and show no sign of falling. Whilst the short-term impact on Alpha is likely to be minimal as over 98% of our loans are on long-term fixed rates, in the longer term higher interest rates make development more financially challenging, and require greater subsidy from grant or elsewhere.

CPI inflation of 10.1% in September 2022 translated into a significant rent rise for our residents. We remain alert to the affordability challenge this causes for some of our residents and Board approved the creation of a Living Well Fund to help some tenants manage financial problems. 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 remain relatively high by September 2023, the month which sets the CPI benchmark for rent and benefit increases in the following April. 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 with particular concerns around building and material costs which may put pressure on our business plan. Residents will feel the pinch too. Rent and service charge increases will need careful handling and, jointly with a partner association, Alpha agreed to the appointment of a new Rent, Service Charge and Procurement Manager to ensure we optimise value for money for both Alpha and our tenants in the coming years.

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

## Alpha (RSL) Limited

### Board Report for the year ended 31 March 2023

Rent loss due to empty properties remains comparatively low at 1.72%. Of particular note is the low level of voids for Poppyfields at 1.39%, demonstrating the attractiveness of the accommodation at this scheme.

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 long-awaited passage of the Social Housing Bill in summer 2023 and the introduction of the new consumer regulation regime by the Regulator of Social Housing will drive positive change throughout the sector but will create new challenges and risks for social housing providers. For Alpha, the growth strategy is likely to result in the organisation reaching 1,000 homes at some point over the next two years, with the loss of the "lighter touch" approach for smaller providers. Again, we are well-prepared for this.

Our profile grew when we won the award for "Best Older People's Landlord" at the UK Housing Awards in 2021, creating new opportunities to share our approach to older people's living more widely.

#### Review of operations

2022/23 was another successful year for Alpha, underpinned by the ongoing theme of change. Alpha continued its strong track record of meeting its objectives, its financial targets and implementing measures and strategies to meet the challenges of the future.

Turnover for the period increased by 10.3% from £7,125,075 (2021/22) to £7,862,006 (2022/23) which included the first full year's income generated following the completion and handover of Poppyfields.

Statement of Comprehensive Income	2022/23	2021/22
	£	£
<b>Turnover</b>	7,862,006	7,125,075
Operating expenditure	(6,357,541)	(5,698,698)
<b>Operating surplus</b>	1,504,465	<b>1,426,377</b>
Interest receivable	2,765	172
Interest payable and financing costs	(460,184)	(461,510)
<b>Surplus for the year</b>	1,047,046	965,039

Alpha generated a surplus of £1,047,046 (£965,039 2021/22). Whilst this increased on the previous year it was slightly below budget because additional maintenance costs were incurred during the year. Surpluses are budgeted to meet our covenant and other

## Alpha (RSL) Limited

### Board Report for the year ended 31 March 2023

obligations into the future.

Operating expenditure increased in the period from £5,698,698 (2021/21) to £6,357,541 (2022/23) mainly related to the additional costs incurred for Poppyfields. The overall operating margin over the period therefore decreased slightly from 20.0% (2021/22) to 19.1%.

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.

We sustained the dramatic improvement in re-let times from a high of 65.7 days in 2018/19 to 34 days in 2022/23, demonstrating the sustained appeal of well-managed housing for older people.

Arrears and bad debts remain at a good level. Current rent arrears, increased slightly in 2022/23 to 1.89% (2022: 1.72%). Our rent collection performance in 2021/22 was 98.06% (2020/21 100.62%).

We also continue to invest significant sums in remodeling and investing in our existing housing. 2022/23 was the final year of the delivery of our last housing investment strategy and we spent £1,772,050 (2022: £1,633,388). In the near term our asset investment will be at lower levels until we begin the investment to help move our homes towards net zero.

#### Governance

Alpha adopted the National Housing Federation's Code of Governance 2020 with effect 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 July 2023.

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. A Board level Task and Finish Group has been convened to shape this.	Jan 24
Equality diversity and inclusion – the organisation publishes information about its work to deliver its commitments and objectives	See above	Jan 24



<p>People with lived experience of (or particular insight into) the communities served by the organisation are meaningfully involved in governance structures</p>	<p>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</p>	<p>Jan 24</p>
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We also remain compliant with the Regulator of Social Housing's Governance and Financial Viability Standard which was reviewed in Jun 2023.

# Alpha (RSL) Limited

## Board Report for the year ended 31 March 2023

### Value for Money

#### Introduction

Alpha' purpose is "To help everyone be the best possible version of themselves".

We are a specialist housing provider working across the north of England. We provide sheltered housing, extra care housing and support services across 11 local authorities.

We own and manage 960 apartments let on social rents or affordable rents. As a specialist provider of housing for older people, we understand the diversity and aspirations of our tenants. Increasing numbers of older people are in work or have caring responsibilities.

The majority of our housing is in the form of sheltered housing (independent living), with an additional 78 apartments in one extra care development.

We aim to create inclusive, safe and exciting communities and use our developments as community hubs.

We want to make a difference to as many people as possible by creating exciting, affordable places to live where every individual can thrive. We celebrate later life and are driven by our passion and values

#### What is Alpha seeking to achieve?

Alpha's objectives are set out in its Corporate Strategy under the following five headings:

- **Create Exciting Communities**
- **Reach as Many People as Possible**
- **Provide a Safe and Sustainable Home**
- **Take risks and manage risks**
- **Influence**

Alpha's Strategic objectives are inspired and informed by our values which are set out earlier in this report.

#### VFM and Alpha's Model

Alpha provides affordable housing and related services to older people in communal settings. With the exception of our new extracare scheme at Poppyfields on the Wirral, all our properties are let at social rent.

In contrast to most providers of accommodation for older people, an integral part of our service delivery model is having an onsite manager at each of our developments. This ensures that we know our tenants well and are able to respond quickly to their changing needs. The value of this model is difficult to quantify but is partly reflected in our levels of customer satisfaction.

## Alpha (RSL) Limited

### Board Report for the year ended 31 March 2023

As well as having on-site managers, Alpha directly employs housekeepers who ensure that each development is kept clean and support our development managers. Some staff are involved in providing additional services to our customers via Alpha Plus, which helps support our residents to live independently. Alpha has a small maintenance team which works in our Wirral heartlands undertaking responsive repairs and installing bathrooms. Our new extracare scheme also has a bistro with a catering team directly employed by Alpha.

We believe that our model makes a real difference to the lives of our residents. We work solely with older people and offer vibrant, inclusive communities where residents are actively supported and encouraged to be the best version of themselves. We believe there is real value in creating opportunities for more people to experience the Alpha model and Board has set the target of having 1,900 properties in management by 2028. We are enormously proud of Poppyfields, our first state of the art extracare scheme, and will take opportunities to build other high quality extracare developments when we are able. We recognize, however, that growth on the scale of our plans will be generated primarily by acquiring properties from other providers, subject to the availability of grant and bank funding and the constraints of financial viability. We believe that we can add real value to current and future residents of such properties by investing and by replicating the Alpha model.

Whilst Alpha has ambitious plans, it is also acutely aware of risk and acknowledges its primary duty being to existing residents. Growth opportunities are assessed both financially and in terms of their strategic fit with our objectives.

Our simple and straightforward business model ensures we can focus on our core business, about which we are passionate: the provision of accommodation and services to older people.

Our small size means that we can't always directly employ staff with specialist skills. As well as using specialist consultants when required, a key part of Alpha's model is working collaboratively with other partners to meet common objectives. To that end, Alpha has employed two members of staff jointly with another local housing association, which has values aligned to our own, and has also jointly bought a development site to help spread risk and optimise value.

### Alpha's VFM approach

Alpha has a strategic approach to Value for Money, the key elements of which are:

**Vision, Mission and Values** – these inspire all that we do and set the frame for our strategic, operational and financial plans.

**Corporate Strategy** – this sets the organisational objectives over a five year timeframe, which represents the value Alpha seeks to deliver. It is refreshed regularly to reflect achievements and changes in the external environment. It is monitored via the Annual Delivery Plan.

**Business Plan** – this is agreed by Board annually and reflects the financial implications of the implementation and delivery of the Corporate Strategy.

## Alpha (RSL) Limited

### Board Report for the year ended 31 March 2023

**Value for Money Strategy** – this sets out what Alpha is seeking to achieve in regard to VfM and its approach to delivering VfM.

**Key Performance and Risk Indicators (KPRIs)** – these are agreed by Board annually and reflect a combination of targets for value generation and corporate health measures. They quantify the value measures for Alpha.

**KPRIs and Financial Reporting** – KPRIs and financial performance are monitored at every meeting of Board ensuring that Board have early warning of risks to the delivery of value for money.

**Financial appraisals** – for growth opportunities to ensure that they meet criteria and the risk appetite set by our Board.

**Financial Regulations** – which set out our approach to procurement and the value for money considerations for staff in delivering the work of Alpha.

#### Peer Groups and Benchmarking

We benchmark our performance against two peer groups. Most social housing providers think they are unique and that reduces the value of performance comparisons. Whilst Alpha is not quite unique it does stand almost alone as a small providers dedicated solely to older peoples' housing operating in the north west of England. We do however see benchmarking as a source of valuable insight into our performance and as a “can-opener” to compare ourselves with other organisations and potentially to identify opportunities for better practices.

In the following tables:

**Peers 1** shows the median performance of the providers owning or managing fewer than 1,000 homes in the Acuity Benchmarking Group dataset. The group's members primarily provide general needs housing but are comparable in size terms to Alpha.

**Peers 2** shows the median for the Acuity group of providers for which more than 50% of their portfolio comprises Housing for Older People. It is a national grouping and therefore subject to regional cost distortions and many of its members also provide general needs and other housing, but the group is partly comparable in terms of the focus on older people and their needs.

## Alpha (RSL) Limited

### Board Report for the year ended 31 March 2023

#### Our Performance in Context

#### RSH VfM Metrics –

Metric	Actual 2021/2	Actual 2022/3	Forecast 2022/23	Peers 1	Peers 2
Reinvestment	6.1%	<b>4.9%</b>	6.7%	3.9%	4.4%
New Supply (1)	8.1%	<b>0%</b>	0%	0%	0%
Gearing	31.1%	<b>30.6%</b>	27%	19.9%	(0.4%)
EBITDA (2)	245.3%	<b>263%</b>	214%	167%	254%
HSHC (3)	£6,203	<b>£6,991</b>	£7,034	£4,759	£5,809
Operating Margin (Social)	20.5%	<b>19.6%</b>	22%	13.6%	11.6%
Operating Margin (Overall)	16.5%	<b>19.1%</b>	21.6%	13.8%	4.6%
ROCE (4)	3.4%	<b>3.5%</b>	3.6%	1.9%	1.9%

Our metrics performance for the year was broadly in line with expectations. Our Reinvestment metric performance is heavily dependent on timings of aspects of our growth plan, and will increase significantly above our peer comparisons in future years as we develop our planned extra-care scheme (see “Our Future Plans” below).

Our core financials were solid, with Headline Social Housing Cost slightly below the forecast, but with the Operating Margin slightly lower because of higher maintenance costs and with service charge costs adversely affected by the increased cost of utilities.

- (1) Alpha did not deliver any non-social housing New Supply and has no plans to do so).
- (2) Earnings before Interest, Taxation, Dividends and Amortisation
- (3) Headline Social Housing Cost
- (4) Return on Capital Employed

Alpha (RSL) Limited  
Board Report for the year ended 31 March 2023

Alpha's Own Measures

The table below shows how Alpha performed against its own measures and against our two peer groups

Measure	Actual 2021/2	Actual 2022/3	Forecast 2022/23	Peers 1	Peers 2
Management cost per home	£1,643	£1,813	£1,954	£1,120	£1,610
Service cost per home	£2,366	£2,622	£2,819	£585	£1,795
Maintenance cost per home	£270	£325	£204	£1,124	£1,168
Major repairs cost per home	£1,770	£1,912	£2,035	£995	£769
Other social housing costs per home	£154	£251	£22	£268	£323
Overhead costs as a %age of turnover	16.2%	17.0%	17.1%	19.0%	19.0%
Percentage of rent due collected	98.1%	102.6%	100%	99.7%	100.3%
Ratio of responsive to planned maintenance	0.15%	0.16%	0.38%	0.36%	0.6%
Satisfaction with overall service	85%	83.5%	n/a	84.3%	84.6%

## Alpha (RSL) Limited Board Report for the year ended 31 March 2023

### Our Future Plans

Alpha's performance against the RSH VfM Metrics is shown in the table below:

Metric	Actual 2022/3	Forecast 2023/4	Forecast 2024/5	Forecast 2025/6
Reinvestment	4.9%	17.8%	13.8%	0.0%
New Supply	0.0%	0.0%	8.0%	0.0%
Gearing	30.6%	25%	29%	27%
EBITDA	263%	368%	262%	243%
HSHC	£6,991	£7,117	£7,053	£8,046
Operating Margin (Social)	19.6%	17%	19%	21.5%
Operating Margin (Overall)	19.1%	17%	19%	21.5%
ROCE	3.5%	3.3%	3.1%	3.9%

The figures shown for the future targets in this and the following table are forecasts based on Alpha's current plans and projected financials.

We plan to use our financial capacity to invest in creating new opportunities for people to experience the Alpha approach to older people's living, by increasing the number of properties we own or manage. Our business plan includes the delivery of a new extracare scheme with 80 new homes in 2024/25.

As a small provider, some of our metrics are sensitive to changes in major repairs expenditure and the increase in Headline Social Housing Cost (HSHC) in 2025/26 is primarily driven by a significant increase in planned capitalised works to our homes.

## Alpha (RSL) Limited Board Report for the year ended 31 March 2023

### Alpha Own Measures

Alpha's performance plans against its own measures are shown in the table below. The measures relate to the objectives in our new Corporate Strategy adopted in 2023/24.

Strategic Objective	Measure	Actual 2022/23	Target 2023/24	Long Term Ambition
Create Exciting Communities	Customer Satisfaction	83.5%	83.5%	To be determined
	Void Loss	1.7%	3%	3% by 2028
	Support Plans in Place	87%	100%	100%
Reach as Many People as Possible	Growth (planned pipeline)	81	120	960 by 2028
	Growth (delivered)	0	0	960 by 2028
	Satisfaction with new property	94.7%	95%	95% by 2028
Provide a Safe and Sustainable Home	Core H&S KPIs achieved	100%	100%	100% always
	EPC C Achieved	94.7%	95%	100% by 2030
Taking Risks and Managing Risks	Operating Margin	19.1%	13.7%	10% minimum
	Covenant Compliance	100%	100%	100% always

The success of our objective to influence the debate around older people's living is monitored in reports to Board.



## Alpha (RSL) Limited

### Board Report for the year ended 31 March 2023

#### Specific Plans for the future

Collaboration and shared services – The employment of a rents, service charge and procurement manager in 2023/24 financial year will bring together responsibilities for service charges and procurement into a single post and make the procurement of services even more responsive to the needs of our residents whilst bringing the imperative of ensuring value for money in service provision to the fore.

Frameworks – to ensure that Alpha has access to some of the best procurement arrangements available and also to reduce the cost and timescales of procurement exercises in the future, we will review which frameworks may generate VfM for us and join those as appropriate.

Access Alpha to scrutinise performance and plans – Access Alpha ensures that Alpha has a strong tenant voice. We will develop its role in the future to facilitate strong tenant scrutiny of both our performance and our future plans, with VfM a keen focus and have commissioned consultancy support to accelerate our journey over the coming year.

Utilities procurement – one of the main elements of the service charge costs for our residents is utility costs. We currently work with a broker to ensure we keep on top of the market. After the pending renewal in 2023 we will explore other procurement options to optimise value for money whilst minimising procurement price increase risk.

TSM measures to help identify improvement opportunities – the RSH new consumer regulation regime and its integral Tenant Satisfaction Measures will enable us better to compare key elements of the value we generate with other providers. Our expectation is that this will help drive best practice in service provision for both Alpha and the sector as a whole.

Growth to generate value and to spread overheads – our Growth Plans will help spread our overheads over more homes, reducing the unit cost, and also help us afford to recruit for or buy in some of the specialist skills we will need for the future.

Collaboration (internal audit) – as a smaller housing association, Alpha is committed to collaborating with others when there are potential value for money gains. Alpha has jointly employed two staff with a partner association and is participating in joint procurement exercises with a number of other local providers.

## Alpha (RSL) Limited

### Board Report for the year ended 31 March 2023

#### Board members

The Board Members who held office during the year were:

- Professor C Taylor (Chair) (until 31.03.23)
- Mr S Eaves (from 13.09.22) (Chair) (from 23.05.23)
- Mr K Timmins (Chair of Audit, Risk and Remuneration / Vice Chair)
- Dr J Atherton (until 13.09.22)
- Miss G Bennett
- Mr D Bradley (until 13.09.22)
- Mr P Gibbs
- Miss L Holding
- Mr B Jones (from 07.03.23)
- Ms D Morris
- Ms L Wood (from 10.10.22)

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

The senior leadership team during the year were:

- Mr Graeme Foster (Chief Executive)
- Mrs Alison Williams (Head of Finance and Resources) (to 10.02.23)
- Mr Darren Watmough (Director of Finance and Resources) (from 13.02.23)
- Mss Zoe Carmichael (Director of Asset Management)
- Mr Peter Merity (Director 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.

## Alpha (RSL) Limited

### Board Report for the year ended 31 March 2023

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.
- 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.

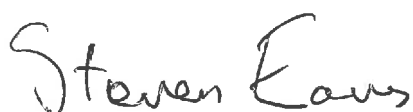
The Board members who held office at the date of approval of this Board report confirm that, so far as they are each aware:

- 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:



Steve Eaves

Chair

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

## Opinion

We have audited the financial statements Alpha (RSL) Limited ('the Association') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, 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 2023 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 Annual Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other

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

information. Our opinion on the financial statements does not cover the other information and 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.

### 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 24 and 25, 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 web-site at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

### 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, 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.

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

### Use of our report

This report is made solely to the Association's members as a body, 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's members 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 and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.

**Beever and Struthers**

Statutory Auditor

One Express

1 George Leigh St

Ancoats

Manchester

M4 5DL



Date: 8 September 2023

## Alpha (RSL) Limited

### Statement of Comprehensive Income for the year ended 31 March 2023

	Notes	2023 £	2022 £
Turnover	2	7,862,006	7,125,075
Operating expenditure	2	(6,357,541)	(5,698,698)
<b>Operating Surplus</b>		<u>1,504,465</u>	<u>1,426,377</u>
Interest receivable	6	2,765	172
Interest payable and financing costs	6	(460,184)	(461,510)
<b>Surplus and total comprehensive income for the year</b>	7	<u><u>1,047,046</u></u>	<u><u>965,039</u></u>

All amounts relate wholly to continuing activities and the notes on pages 36 to 54 form an integral part of these financial statements.

The financial statements on pages 32 to 54 were approved and authorised for issue by the Board on 19 September 2023 and were signed on its behalf by:

Board Member: 

Board Member: 

Secretary: 



Alpha (RSL) Limited  
Statement of Financial Position as at 31 March 2023

	Notes	2023 £	Restated 2022 £
<b>Fixed Assets</b>			
Tangible housing properties	10	43,083,349	41,986,029
Tangible head office property	10	299,089	312,531
Other tangible fixed assets	10	613,454	761,088
		<u>43,995,894</u>	<u>43,059,648</u>
<b>Current Assets</b>			
Stock		0	0
Trade and other debtors	11	401,285	348,990
Cash and cash equivalents	12	1,281,272	1,851,116
		<u>1,682,557</u>	<u>2,200,106</u>
<b>Less Creditors</b>			
Amounts falling due within one year	13	2,646,710	2,470,993
<b>Net current (liabilities)</b>		<u>(964,153)</u>	<u>(270,887)</u>
<b>Total assets less current liabilities</b>		<u>43,031,741</u>	<u>42,788,760</u>
<b>Creditors</b>			
Amounts falling due after more than one year	14	23,164,357	23,968,413
<b>Total net assets</b>		<u>19,867,387</u>	<u>18,820,348</u>
<b>Reserves</b>			
Non equity share capital	18	36	43
Income and expenditure reserve		19,412,224	18,351,143
Service charge reserve	19	455,127	469,162
<b>Total reserves</b>		<u>19,867,387</u>	<u>18,820,348</u>

The financial statements on pages 32 to 54 were approved and authorised for issue by the Board on 19 September 2023 and were signed on its behalf by:

Board Member: 

Board Member: 

Secretary: 

The notes on pages 36 to 54 form an integral part of these financial statements.

## Alpha (RSL) Limited

### Statement of Changes in Reserves as at 31 March 2023

	Income and Expenditure Reserve £	Service Charge Reserve £	Non- Equity Share Capital £	Total Reserves Restated £
Balance as at 1 April 2021	17,457,278	397,988	63	17,855,329
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
<b>Balance at 31 March 2022</b>	<b>18,351,143</b>	<b>469,162</b>	<b>43</b>	<b>18,820,348</b>
Transfer from Income and Expenditure Reserve to Service Charge Reserve	14,035	(14,035)	0	0
Surplus from Statement of Comprehensive Income	1,047,046	0	(7)	1,047,039
<b>Balance at 31 March 2023</b>	<b>19,412,224</b>	<b>455,127</b>	<b>36</b>	<b>19,867,387</b>

The notes on pages 36 to 54 form an integral part of these financial statements

Alpha (RSL) Limited  
Statement of Cashflows for the year ended 31 March 2023

	Notes	2023 £	2022 £
<b>Net cash generated from operating activities</b>	<b>i</b>	<b>3,206,937</b>	<b>3,014,832</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		(2,876,477)	(3,080,052)
Purchases/sales of other fixed assets		0	(298,665)
Grants received		70,233	1,260,385
Interest received		2,765	172
		<u>(2,803,479)</u>	<u>(2,118,163)</u>
<b>Cash flow from financing activities</b>			
Interest paid		(460,184)	(461,510)
Issue of ordinary shares		(7)	2
New secured loans		500,000	1,000,000
Repayment of borrowings		(1,013,110)	(876,911)
		<u>(973,301)</u>	<u>(338,419)</u>
<b>Net change in cash and cash equivalents</b>		<b>(569,843)</b>	<b>558,248</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>1,851,115</b>	<b>1,292,867</b>
<b>Cash and cash equivalents at end of the year</b>		<b>1,281,272</b>	<b>1,851,115</b>
<b>Note i</b>		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
<b>Cash flow from operating activities</b>			
Surplus for the year		1,047,046	965,039
<b>Adjustments for non-cash items:</b>			
Depreciation of tangible fixed assets		1,783,016	1,595,403
Amortisation of intangible assets		(308,549)	(256,297)
Share capital cancelled		(7)	(22)
Decrease / (Increase) in trade and other debtors		52,295	184,293
Increase / (Decrease) in trade and other creditors		175,717	65,079
<b>Adjustments for financing activities:</b>			
Interest received		(2,765)	(172)
Interest payable		460,184	461,510
<b>Net cash generated from operating activities</b>		<b><u>3,206,937</u></b>	<b><u>3,014,833</u></b>

The notes on pages 36 to 54 form an integral part of these financial statements.

## Alpha (RSL) Limited

### Notes to the Financial Statements for the year ended 31 March 2023

#### 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.

Alpha (RSL) Limited  
Notes to the Financial Statements for the year ended 31 March 2023

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.

## Alpha (RSL) Limited

### Notes to the Financial Statements for the year ended 31 March 2023

#### 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 2023/24 and we therefore consider it appropriate to continue to prepare the financial statements on a going concern basis.

##### **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. Board does not consider that there are any triggers 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.

## Alpha (RSL) Limited

### Notes to the Financial Statements for the year ended 31 March 2023

#### 1. PRINCIPAL ACCOUNTING POLICIES (continued)

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

##### **Provision for Doubtful Debts**

The provision is calculated using the former resident arrears position as at 31 March 2023.

##### **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 shown 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.

## Alpha (RSL) Limited

### Notes to the Financial Statements for the year ended 31 March 2023

#### 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%



## Alpha (RSL) Limited

### Notes to the Financial Statements for the year ended 31 March 2023

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 2023

1. **Tangible fixed assets and depreciation (continued)**

<b>Component</b>	<b>Life Cycle</b>
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

## Alpha (RSL) Limited

### Notes to the Financial Statements for the year ended 31 March 2023

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

2023				
	Turnover	Cost of sales	Operating expenditure	Operating surplus
<b>SOCIAL HOUSING LETTINGS (Note 3)</b>	7,524,712	-	6,052,226	1,472,486
<b>OTHER SOCIAL HOUSING ACTIVITIES:</b>				
Supporting people income	10,451	-	10,451	-
Supporting services income	89,027	-	54,231	34,796
Meal service	221,631	-	238,172	(16,541)
Other	16,184	-	2,461	13,724
<b>TOTAL</b>	<u>7,862,006</u>	<u>-</u>	<u>6,357,541</u>	<u>1,504,465</u>
2022				
	Turnover	Cost of sales	Operating expenditure	Operating surplus
<b>SOCIAL HOUSING LETTINGS (Note 3)</b>	6,840,287	-	5,438,482	1,401,805
<b>OTHER SOCIAL HOUSING ACTIVITIES:</b>				
Supporting people income	37,341	-	37,341	-
Supporting services income	89,209	-	74,741	14,468
Meal service	142,999	-	147,614	(4,615)
Other	15,239	-	520	14,719
<b>TOTAL</b>	<u>7,125,075</u>	<u>-</u>	<u>5,698,698</u>	<u>1,426,377</u>

## Alpha (RSL) Limited

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

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

	2023	2022
<b>INCOME</b>		
Rent receivable net of identifiable service charges and net of voids	4,169,349	3,769,102
Service charge income	3,046,814	2,814,888
Amortised government grants	308,549	256,297
<b>Total turnover from social housing lettings</b>	<u>7,524,712</u>	<u>6,840,287</u>
<b>OPERATING EXPENDITURE</b>		
Management	1,740,708	1,577,013
Service charge costs	2,517,228	2,271,144
Routine maintenance	302,144	256,862
Planned maintenance	10,052	6,411
Major repairs expenditure	63,750	59,917
Bad debts	0	3,172
Depreciation of Housing Properties	1,404,902	1,251,882
Depreciation of Head Office Property	13,442	10,082
<b>Total operating expenditure on social housing lettings</b>	<u>6,052,226</u>	<u>5,438,482</u>
<b>OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS</b>	<u>1,472,486</u>	<u>1,401,805</u>

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 £116,121 (sheltered units) and £10,567 (extra care) for the year (2022: £105,525 (sheltered units) and £80,519 (extra care newbuild first time lets from handover 12 July 2021 to fully let 30 November 2021)).

## Alpha (RSL) Limited

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

#### 4. ACCOMMODATION OWNED, MANAGED AND IN DEVELOPMENT

	2023		2022	
	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>0</u>	<u>0</u>
Social rents	882	-	882	-
Affordable rents	78	-	78	-
Under management at end of year				
Housing for older people	<u>960</u>	<u>0</u>	<u>960</u>	<u>0</u>

#### 5. ACCOMMODATION MANAGED BY OTHERS

The PRP owns property managed by other bodies.

	2023	2022
	No. of Properties	No. of Properties
Housing for older people	<u>34</u>	<u>34</u>

#### 6. NET INTEREST

	2023	2022
<b>Interest receivable and similar income</b>		
<b>On financial assets measured at amortised cost:</b>		
Interest receivable from current accounts / short term deposits	<u>2,765</u>	<u>172</u>
	<u>2,765</u>	<u>172</u>
<b>Interest payable and financing costs</b>		
<b>On financial liabilities measured at amortised cost:</b>		
On loans wholly or partly repayable in more than five years	<u>460,184</u>	<u>461,510</u>

## Alpha (RSL) Limited

### Notes to the Financial Statements for the year ended 31 March 2023

#### 7. SURPLUS ON ORDINARY ACTIVITIES

	2023	2022
	<u>1,047,046</u>	<u>965,039</u>
Is stated after charging:		
Auditors remuneration (excluding VAT)		
In their capacity of auditors	12,000	5,933
In respect of other services	4,559	1,500
Operating lease payments		
Company vehicles	12,092	10,752
Office equipment	5,094	6,964
Depreciation of housing properties	1,404,902	1,251,882
Depreciation of head office property	13,442	10,081
Depreciation of other fixed assets	364,672	333,440

#### 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 £366,753 (2022 : £287,431)

Remuneration for executive directors for the year ended 31 March 2023:

	2023	2022
Wages and salaries	366,691	286,889
Expense allowances	62	542
Pension costs	18,688	17,213
Total	<u>385,441</u>	<u>304,644</u>

Remuneration payable to the highest paid director in relation to the period of account amounted to £116,383 (2022 : £106,355) excluding pension contributions.

Graeme Foster is the Chief Executive of Alpha RSL Limited. He received remuneration for the year ending 31 March 2023 totalling £116,383 (2022 : £106,355).

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 £6,983 (2022 : £6,381) was paid in addition to the personal contributions of the Chief Executive.

## Alpha (RSL) Limited

### Notes to the Financial Statements for the year ended 31 March 2023

#### 8. KEY MANAGEMENT PERSONNEL REMUNERATION (continued)

Non-Executive Board member remuneration for the year ended 31 March 2023:

	2023	2022
Janet Atherton	1,045	2,000
Gill Bennett	2,089	2,000
Dan Bradley	1,045	2,000
Steve Eaves	1,155	-
Peter Gibbs	2,089	2,000
Lorri Holding	2,089	2,000
Ben Jones	348	-
Sue Lorimer	-	667
Dawn Morris	2,089	2,000
Claire Taylor	5,744	5,000
Kieran Timmins	3,916	2,500
Laura Wood	816	-
	<u>22,424</u>	<u>20,167</u>

#### 9. EMPLOYEE INFORMATION

	2023	2022
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:		
Head Office	18	15
Development Managers	23	20
Housekeepers, Handypersons and Luncheon Club Staff	22	21
	<u>63</u>	<u>56</u>
Staff costs (for the above persons)		
Wages and salaries	1,731,139	1,514,819
Social Security costs	141,515	114,451
Pension costs	82,139	72,627
Medical cash plan	7,414	7,886
	<u>1,962,208</u>	<u>1,709,783</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 2023 £1,844 was outstanding in respect of unpaid pension contributions (2021 : £733).

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
£100,001 - £110,000	1
£110,001 - £120,000	1

Alpha (RSL) Limited  
Notes to the Financial Statements for the year ended 31 March 2023

10 TANGIBLE FIXED ASSETS

	Total Housing Properties	Head Office Propert y	Furnitu re and Equipm ent	Computer and Software	Bistro Equipment	Office Equipment	Total Fixed Assets
<b>COST</b>							
At start of the year	48,532,412	322,112	753,832	1,225,973	-	65,085	50,899,411
Transfer	(500)	500	(21,370)	-	21,370	-	-
Additions	730,173	-	60,826	143,626	11,505	1,081	947,211
Capitalisation of components	1,772,050	-	-	-	-	-	1,772,050
Disposals	(294,901)	-	(370,290)	(313,814)	-	-	(979,006)
At end of the year	<u>50,739,234</u>	<u>322,612</u>	<u>422,997</u>	<u>1,055,785</u>	<u>32,875</u>	<u>66,166</u>	<u>52,639,671</u>
<b>DEPRECIATION</b>							
At start of the year	6,546,384	9581	510,988	758,928	2,775	11,111	7,839,767
Transfers	(500)	500	-	-	-	-	-
Charge for year	1,404,902	13,442	83,733	266,815	6,446	7,678	1,783,016
Disposals	(294,901)	-	(370,290)	(313,814)	-	-	(979,005)
At end of the year	<u>7,655,885</u>	<u>23,523</u>	<u>224,431</u>	<u>711,929</u>	<u>9,221</u>	<u>18,789</u>	<u>8,643,778</u>
<b>NET BOOK VALUE AT END OF THE YEAR</b>	<u>43,083,349</u>	<u>299,089</u>	<u>198,566</u>	<u>343,856</u>	<u>23,656</u>	<u>47,377</u>	<u>43,995,894</u>
Net book value at start of the year	<u>41,986,028</u>	<u>312,531</u>	<u>240,069</u>	<u>467,045</u>	<u>0</u>	<u>53,973</u>	<u>43,059,647</u>



#### Housing Properties Additions:

This relates to the acquisition of land for potential future development at Hamilton Street, Wirral in conjunction with a partner housing association. The Association's share of the acquisition costs amounted to £730,173. The figure in relation to 2022 (£912,484) relates to the completion of our new build 78 unit extra care development Poppyfields completion of our new build 78 unit extra care development, Poppyfields, in Upton, Wirral which also incorporates our head office which is shown separately under Head Office Property.

Alpha (RSL) Limited  
Notes to the Financial Statements for the year ended 31 March 2023

10. TANGIBLE FIXED ASSETS (continued)

Housing Properties comprise:	2023		2022	
	£	No.	£	No.
Freeholds	33,534,120	707	32,657,165	707
Long leaseholds	9,549,231	253	9,328,864	253
	<u>43,083,349</u>	<u>960</u>	<u>41,986,028</u>	<u>960</u>
Cost of Properties include:	2023		2022	
	£		£	
Direct administrative costs capitalised during the year	-		-	
Works to existing properties in the year:				
Capitalised as above	1,772,050		1,633,388	
Expensed	63,750		59,917	
Total for year	<u>1,835,800</u>		<u>1,693,305</u>	

Land and buildings with a historic book value of £34,463,923 (2022 : £23,592,539) 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 2023

#### 11. TRADE AND OTHER DEBTORS

	2023	2022
Rent Arrears	124,615	132,533
Other Debtors	4,784	16,043
Less: provision for bad debts	(11,421)	(14,934)
Grant Receivable	-	-
Prepayment and accrued income	283,307	215,348
	<u>401,285</u>	<u>348,990</u>

Debtors are all due within one year

#### 12. CASH AND CASH EQUIVALENTS

	2023	2022
Cash at bank	<u>1,281,272</u>	<u>1,851,116</u>

#### 13. CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	2023	2022
Loans (see note 15)	1,061,135	1,009,353
Rents and service charges paid in advance	204,591	176,481
Trade creditors	329,280	269,270
Capital creditors	372,394	166,247
Other taxation and social security payable	34,273	31,150
Accruals	336,488	511,999
Deferred capital grant (see note 17)	308,549	306,494
	<u>2,646,710</u>	<u>2,470,993</u>

Loans are secured by housing properties, see note 15

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

	2023	2022
Loans (see note 15)	13,205,115	13,770,007
Deferred capital grant (see note 17)	9,940,698	10,181,069
Leaseholder sinking funds	18,544	17,337
	<u>23,164,357</u>	<u>23,968,413</u>

Loans are secured by housing properties, see note 15

#### 15. DEBT ANALYSIS

	2023	2022
Loans repayable by instalments		
Within one year	1,061,135	1,009,353
In one year or more but less than two years	1,102,454	1,042,015
In two years or more and less than five years	3,545,591	3,340,609
In five years or more	8,557,070	9,387,383
Total loans	<u>14,266,250</u>	<u>14,779,360</u>

## Alpha (RSL) Limited

### Notes to the Financial Statements for the year ended 31 March 2023

#### 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 £2,150,000 is undrawn as at 31 March 2023 (facility extended until August 2023).

A 5-year Revolving Credit Facility, with an option to fix by a further five years, of £10,000,000 with Clydesdale Bank was agreed in January 2023, of which £10,000,000 was undrawn as at 31 March 2023.

The interest rate profile of the PRP at 31 March 2023 was:

	Total £m	Variable rate £m	Fixed rate £m	Interest rate %
Lloyds - 100% fixed	14,073,695		14,073,695	3.09%
Lloyds - 100% variable	192,555	192,555		5.70%
	<u>14,266,250</u>	<u>192,555</u>	<u>14,073,695</u>	

At 31 March 2023 the PRP has £12,150,000 in undrawn 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	1,851,116	(569,844)	0	1,281,272
Housing Loans Due in One Year	(1,009,353)	(51,782)	0	(1,061,135)
Housing Loans Due After One Year	(13,770,007)	564,892	0	(13,205,115)
	<u>(12,928,244)</u>	<u>(56,733)</u>	<u>0</u>	<u>(12,984,977)</u>

#### 17. DEFERRED CAPITAL GRANT

	2023	2022
At start of the year	10,487,563	9,483,477
Grant received in the year	70,233	1,260,383
Released to income in the year	(308,549)	(256,297)
At the end of the year	<u>10,249,247</u>	<u>10,487,563</u>
Amount due to be released < 1 year	308,549	306,494
Amount due to be released > 1 Year	<u>9,940,698</u>	<u>10,181,069</u>
	<u>10,249,247</u>	<u>10,487,563</u>

## Alpha (RSL) Limited

### Notes to the Financial Statements for the year ended 31 March 2023

#### 18. NON-EQUITY SHARE CAPITAL

	2023	2022
Allotted Issued and Fully Paid		
At the start of the year	43	63
Issued during the year	1	2
Cancelled during the year	(8)	(22)
At the end of the year	<u>36</u>	<u>43</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

	2023	2022
At start of the year	469,162	397,988
Collected during the year	198,242	186,080
Spent during the year	(212,277)	(114,907)
At the end of the year	<u>455,127</u>	<u>469,162</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

	2023	2022
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	499,810
Capital expenditure that has been authorised by the Board but has not yet been contracted for	648,615	1,186,079
	<u>648,615</u>	<u>1,685,889</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:

	2023	2022
In one year or less	686	513
In one year or more but less than two years	18,238	10,608
In two years or more and less than five years	24,318	14,234
In five years or more	-	-
	<u>43,242</u>	<u>23,355</u>

**Alpha (RSL) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2023**

**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 2023.

For year-ending 31 March 2022 and 31 March 2023, the Board had no resident members who held a tenancy agreement on normal terms.

**24. PRIOR YEAR ADJUSTMENT**

The figures for 2021/22 have been restated to correct a historical error in the treatment of grant for a property acquired in 2013.

The effect of the prior year adjustment was as follows:

	<b>2023</b>	<b>2022</b>
Total Reserves Opening Balance	18,820,348	17,053,574
Surplus for the Year	1,047,039	965,019
Reserves prior to Adjustment		18,416,644
Prior Year Adjustment		<u>403,704</u>
Restated Reserves	<u>19,867,387</u>	<u>18,820,348</u>