

Charity Commission Number: 1017481
Company Number: 2787689
Homes and Communities Agency number: 4679

**Target Housing Limited
(Limited by Guarantee)**

Report and financial statements

For the year ended 31 March 2022



**Target Housing Limited
(Limited by Guarantee)**

Report and financial statements

For the year ended 31 March 2022

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**Target Housing Limited
(Limited by Guarantee)**

Company Information

Board members

Steve Crane - Chair
Rick Plews – Treasurer
Jacqui Dyer (resigned 18 January 2022)
Farayi Dzichauya
Mike Day
Hannah Weinhold
Phillip Moss (resigned 20 July 2022)
Francesca Rockett (appointed 19 July 2022)

Secretary

Shaun Needham

Chief Executive Officer

Shaun Needham

Registered office

A5 Bradmarsh Business Park
Bow Bridge Close
Rotherham
S60 1BY

Auditors

Hawsons Chartered Accountants
Statutory Auditors
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Bankers

The Co-operative Bank
78/82 Pinstone Street
Sheffield
S1 2HP

Charity Bank
Fosse House
182 High Street
Tonbridge
Kent
TN91BE

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2022

The Board of Trustees presents their report together with the audited financial statements for the year ended 31 March 2022 and confirm that these financial statements comply with current statutory requirements and with those of the governing instrument.

Chair's introduction
Annual Report 2021 - 2022

2021/22 was once again a challenge to every part of Target Housing.

The continuing pandemic, despite the fact that everyone felt hopeful of seeing the light at the end of the tunnel, proved to be as challenging to work through as last year; the CEO and senior team have, I know, wrestled with both the optimism and near despair of lockdowns and relaxation of restrictions whilst trying to both deliver services and keep staff safe. The fact that they have successfully negotiated this tangled web of restriction and non-restriction is testament to their skill and leadership and to the wonderful resourcefulness of the whole staff team.

Last year's record-breaking results has allowed significant spend on the refurbishment of property, both existing and new. The Social Investment from SASC totalled £5M at the end of the year. The surplus from last year also allowed further borrowing from Charity Bank in the form of additional mortgages against new property taking the total number of Target owned properties to 88. Congratulations must be noted to the property procurement team for managing to successfully source and procure this number of properties during a pandemic.

The complex needs / CARE service (THRIVE) which was won in May 2021; has proved both extremely challenging and rewarding in equal parts to all involved but the service is now fully operational; in a recent audit by Sheffield Council care and support managers, it was praised as a "unique and highly successful service" with many of the clients "experiencing their first truly stable accommodation in many years". While audits from commissioning teams like this one can be (and are) stressful for staff and the organisation they also give independent validation of the excellent work of our staff teams.

One area of Target that has been building relatively slowly has been our specialist Mental Health projects; but in January 2022 the team were asked to bid to take over a service from Sheffield Mind; winning this bid more than doubled both our M/H client numbers and M/H staff numbers. Once again testament to Target's growing reputation in the M/H field is the fact that a) we were asked to bid and b) we won and have successfully transferred the staff team to Target.

Once The Home Office re-started to send out asylum decisions, meaning people have to move on from our accommodation once they get a decision; we saw a significant drop in client numbers housed in November 2021, but by the end of the year numbers were actually 200 people higher than at the start, reflecting the continuing rise in overall asylum seeker numbers.

Nearly every project run by Target has seen client number growth this year reflecting the growing need for services across the board.

On behalf of the Board I would like to put it into record our heartfelt thanks to the entire staff team for the amazing professionalism and dedication they have shown this year.

The Board and Senior Management Team continue to work together to identify possible development opportunities that can expand Target and give it as broad a base as possible to ensure loss of contract risk is spread as thin as possible and Target continues to develop as an organisation.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2022 (continued)

I cannot end without thanking my fellow Board members who like our staff continue to rise to the challenge of providing support and guidance to the senior management and wider staff teams throughout this pandemic.

On a sad note we learned of the untimely passing of Mark Allen, Target's former Grant Bid writer; Mark was responsible for getting our 3 year Big Lottery grant to assist the Eastern European community in Hull; Securing funding to purchase and refurbish a 5 bed property in Rotherham for adults with Learning Disability, plus numerous smaller grants that enhanced Target's work and outcomes.

Finally, I want to make special note of the work of our Treasurer Mr Rick Plews who has announced his intention to retire from the Board in September 2022.

Rick is the longest standing member of the Target Board serving as Treasurer for over 10 years. On behalf of my fellow Board members I wish to publicly thank Rick for everything he has done for Target Housing, wish him the very best and hope he will keep in touch.

Thank you Rick.

**Steven Crane
Chair of Board**

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2022 (continued)

Structure, governance and management

Constitution of the charity

Target Housing Limited is a company limited by guarantee (company number: 2787689) and is a registered charity (charity number: 1017481), working within its Memorandum and Articles of Association. It is a Registered Social Landlord with the Homes and Communities Agency (HCA registration No 4679).

Board of Trustees

The Board of Trustees is elected by the members of the company and one third of them retire by rotation every year. The present members of the Board of Trustees who are directors of the company for the purposes of company law are listed on page 1.

New Trustees are recruited via the existing Board of Trustees and by advertising appropriately, e.g. Sheffield's Voluntary Action Newsletter and Sheffield Volunteer Bureau. Potential new Trustees are invited to attend one or more Board of Trustees meetings as an observer, before they confirm a commitment to becoming a Trustee. Appointment of new Trustees is confirmed by the members annually at the AGM.

Trustees bring a range of skills and expertise to their role. There is an induction process for new Trustees which includes the specific work of Target Housing, how it functions and is managed, and its values, ethos and objectives. This process begins with the Chair and is followed through by the CEO, each in turn ensuring that there is an understanding of the work of the organisation and the new Trustee's role in the governance of Target Housing, and ensuring the delivery of its stated aims and objectives.

New Trustees will have the opportunity to meet with staff and to clarify their roles and responsibilities. They can request to see our accommodation and meet with service users. All Trustees provide information about their background, skills, experience and expertise. A Trustee Handbook is provided and the Board undertake periodic Training opportunities singly and together.

Organisational Structure

In addition to its financial accounting responsibilities as outlined on page 11, the Board of Trustees takes decisions alongside its CEO about staff conduct. Decisions around the development of new projects, budgetary considerations such as the purchase of one off items of capital expenditure and the appointment of Board of Trustees also fall within its duties. Organisational policies are validated by the Board. Strategic steer is also provided by the Board of Trustees. The responsibility for overall daily operational decision making, including policy and procedural adherence and wider strategic involvement is devolved to the CEO.

The number of Trustees was seven during the year. Target Housing considers itself very fortunate to have such a dedicated, skilled and motivated Board of Trustees.

Public benefit

The trustees have complied with the duty in s.4 of the Charities Act 2006 to have due regard to guidance published by the Charity Commission.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2022 (continued)

Structure, governance and management (Continued)

Risk management

The major risks to which Target is subject are recorded in a Risk Register, which also records the systems and controls established to mitigate against those risks. The Register is reviewed regularly by senior management and Trustees.

The principal risks are related to the health and safety of both service users and employees, given the challenging character of service users as a group. Appropriate safeguards are in place to minimise these risks as far as possible.

The second major area of risk is a loss of income arising from the failure to retain contracts when retendering, to win new contracts when tendering and from changes to social services funding for service users in relation to accommodation provision. Again, processes are in place to anticipate and respond as necessary to such events.

Pension Liabilities

Target's pension scheme arrangements are detailed in Note 19 to the financial statements. Its share of the deficit is recorded as a long-term liability in the Balance Sheet. This is a very long-term liability only payable over a period of many years. The annual contributions payable to the scheme in relation to both current service and the deficit are allowed for in each year's financial projections. These demonstrate that the charity is able to fund the ongoing contribution commitments as they arise.

The trustees also record that, after allowing for the long-term liability, there is still an adequate level of reserves to facilitate ongoing operations.

Going Concern

After due consideration of all relevant factors, including the ongoing COVID-19 pandemic, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

In forming this view, The Trustees have taken into account recent and projected financial performance, the level of reserves and the amount of cash balances held. These provide sufficient assurance that the charity is a going concern.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2022 (continued)

Objectives and activities – General statement

The Objects of the Charity are (in summary) to relieve specified groups of people in need through the provision of accommodation, advice, support and training, with a view to helping people achieve independent living. In relation to these objectives the Charity has undertaken the following activities during the year –

- Continued to successfully delivered services to all vulnerable clients throughout second year of lockdown and Covid restrictions.
- No Target staff were Furloughed; safe ways of working were found for all staff.
- Tendered and won new Sheffield service which works in partnership with NHS and SCC social services staff to provide Housing and specialist support for extremely complex clients who have both support and significant care needs.
- 37 new properties purchased and rented to bring the new Sheffield scheme to full numbers in less than 10 months.
- Utilised Social Investment monies to provide specialist properties for complex needs disabled clients.
- Continued to provide a Rapid Rehousing service in Doncaster; providing emergency beds over the winter and lockdown periods.
- Continued to expand the Asylum contract bed spaces with continuing demand from Home Office despite decision to restart decision process for clients. By March 2022 Target supported 1254 asylum seekers.
- Successfully won the right to provide initially 25 properties per location for homeless families and couples in Rotherham; Doncaster and Barnsley; this is Target's first LA agreement in Barnsley.
- Sheffield M/H framework reopened and Target increased client numbers and staffing.
- Despite lockdown and a very complex property market Target successfully managed to purchase £5M of property via SASC Social Investment and a further £750K of property funded by mortgages with Charity Bank
- Fully accredited as a Joseph Rowntree Living Wage Employer.
- In last quarter of 2021/22 Target was asked to bid and won the right to Take over Sheffield Mind's Floating Support Service which increased Client numbers by 75 and staffing numbers by 20 overnight. This service compliments Target's existing M/H services.
- Developed homeless housing and support service in Grimsby in partnership with N.E. Lincs council.
- Staffing numbers continue to rise across all areas as Target continues to expand; 177 staff as at 31st March 2022.

In all of the above, the Charity has had regard to the guidance issued by the Charity Commission on public benefit.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2022 (continued)

Performance – General statement

Our performance in 2021/22 was as follows -

In reality Target staff performed brilliantly to continue to deliver services to very vulnerable clients in unprecedented circumstances; something noted by all commissioners of our services.

Offender Support Projects

- Employs 28 Front line staff
- Supported a total of 422 people in the year.
- 227 Directly managed bed spaces.
- 181 People moved on during the year.
- Of the 181 who moved on 79% moved on positively.

Hull Homeless Families Project (AST)

- Employs 12 Front line staff.
- Supported 259 families.
- 164 Directly managed properties.
- 56 families moved on from scheme in year.
- Of the 56 who moved on 92% moved on positively.

AST South Yorkshire

- Employs 7 front line staff.
- Supported 169 Families or individuals.
- 117 Directly managed properties.
- 38 families/singles moved on from the service.
- Of the 38 who moved on 96% moved positively.

Rotherham Hostel

- Employs 4 staff.
- Supported 16 individuals.
- 7 Specialist bed spaces.
- 9 Moved on from the service.
- 100% positive move on.

Housing First Rotherham

- Employs 4 staff.
- Supported 18 individuals.
- 3 Moved on from the service.
- 100% Positive move on.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2022 (continued)

Performance – General statement (continued)

Grimsby AST

- Employs 1 staff member.
- 18 Individuals supported.
- Non have yet moved on from scheme.

AASC - Asylum Accommodation and Support Project.

- Housed and supported a total of 1146 individuals during the year.
- 454 were singles in shared accommodation.
- 196 were families in family houses.
- The top 4 countries were people came from were Iraq; Iran; Eritrea and Albania.

Maintenance Team

- Processed 9136 repair orders.
- Completed 7706 maintenance jobs.
- 1430 maintenance jobs were completed by either landlords or contractors.

Value for Money

The Regulator of Social Housing requires the Association, in common with all private registered providers of social housing, to publish evidence within its annual report to facilitate an understanding of its performance against certain key metrics set out by the Regulator, as follows:

1. Reinvestment: 51.6%

Measures investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.

2a. New supply delivered [social housing]: 42.0%

2b. New supply delivered [non-social housing]: NIL%

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

3. Gearing: 63.5%

Measures how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth. The Association's negative gearing percentage arises from its significant cash balances; these are actively managed to optimise returns consistent with its twin priorities of capital preservation and ensuring sufficient liquidity is available to meet operational requirements.

4. EBITDA MRI interest cover: 891.7%

Earnings before interest, tax, depreciation, amortisation, major repairs included (EBITDA MRI) interest cover. A key indicator of liquidity and investment capacity. Measures the level of surplus that a registered provider generates compared to interest payable, but in a way that avoids distortions stemming from the depreciation charge.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2022 (continued)

Value for Money (continued)

5. Headline social housing cost per unit: £1,415

Self-explanatory unit cost metric; the Association has calculated this metric based on 33 (2020: 33) social housing units owned and/or managed at year end, which specifically excludes one unit used as staff accommodation.

6a. Operating margin (social housing only): 1.5%

6b. Operating margin (overall): 1.3%

Measures the profitability of operating assets before exceptional items are taken into account. The Association specialises in providing supported housing, which means its margin will tend to be lower than average.

7. Return on capital employed: 1.6%

This metric compares the operating surplus to total assets less current liabilities, a measure commonly employed in the commercial sector to assess the efficient investment of capital resources.

Financial review

The Chair's Introduction and the General Statements on Objectives and Activities and Performance set the context for this review of the results for the financial year 2021-22.

Income and charitable expenditure have again increased significantly as we have continued to grow our core activities. Income has increased by 20.8% and expenditure by 33.1%. As in recent years, the income increase results principally from continuing growth in the levels of activity on most contracts. Expenditure increases mirror increased activity levels and higher prices. These are principally staffing (the average number increased by 30 in the year) and property (with 37 acquisitions in the year in addition to the 18 in the previous year as well as increased numbers of rental properties) related costs, some of the latter being both significant and, in essence, 'one-off set up'. In addition, these continuing property acquisitions, utilising mortgage finance, and other tangible fixed assets purchases impact on both our interest payments and depreciation charges.

Whilst Target is a not-for-profit entity, generating surpluses enables us to sustain and enhance the services provided to our service users, by investing in properties and people, and to cover our substantial loan repayment commitments.

The year-end financial position as shown in the Balance Sheet remains healthy, with a comfortable level of liquid reserves, albeit at a reduced level from the previous year-end. One important factor behind the reduction is our continuing purchase of properties and computer equipment. Most of the property acquisitions are financed by mortgage borrowings but we do have to utilise part of our cash resources as well. Our mortgage borrowings have increased significantly as we continued the major programme of property acquisitions utilising mortgage finance facilities with Charity Bank and with SASC, the specialist provider of funding to the not-for-profit sector. This has enabled us to maintain our property acquisition programme in certain geographical areas and respond to increasing demand for our services to the most vulnerable in our society.

Despite reporting positive financial outturns for a number of years, the year under review being at the lowest end of the range, we are not without challenges, not least the on-going requirement to re-tender for the contract services we provide and, most recently, sharply increasing costs, particularly for energy. Our management team remains focussed on securing satisfactory outcomes to any challenges faced. In addition, they continue to explore and pursue the generation of income from other diversified sources to enable us to provide a wider range of complementary services to our vulnerable client groups.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2022 (continued)

Reserves policy

The principal aim of the Target's reserves policy is to seek to ensure that an appropriate balance is maintained between ensuring a long-term sustainable financial position for the organisation and the deployment of funds towards fulfilling its charitable mission of 'delivering the highest standard of housing and support to enable vulnerable people to live independently, fulfil their potential and contribute to their communities and wider society', having regard to both current and future beneficiaries.

To ensure that there is no significant disruption to our charitable activities, holding appropriate reserves enables Target to respond to any unforeseen reduction in income or unexpected additional expenditures. Target currently holds reserves for the following specific purposes:

- To provide funds for the acquisition of property at the conclusion of the borrowing facility from SASC
- To provide funds for the contribution required for the purchase of property utilising finance from Charity Bank
- To fund the enhancement of the central office premises as activities expand
- To invest in improvements to both owned and leased properties
- To support investment in connection with the provision of new or expanded services or activities
- To mitigate against reductions in income from the loss of operating contracts on short term notice periods
- To allow for other unforeseeable risks and contingencies that may arise from time to time.

Target's unrestricted reserves at 31 March 2022 were £2,976,000. By convention, the value of owned fixed assets is generally excluded from what is commonly called 'free reserves'. Target's operations are property intensive. Whilst the majority of properties will be leased, ownership of properties provides stability and flexibility, with property generally considered to be a good asset class for the investment of reserves.

At 31 March 2022, the book value of owned assets was £8,434,000. Many of the fixed assets are financed by external borrowing which totalled £6,835,000 at 31 March 2022. The Trustees consider it should be the net value of fixed assets not financed by borrowings which should be used for the calculation of free reserves. This gives a 'net free reserves' figure of £1,377,000.

Based on the Trustees' evaluation of the above reserves requirement, the target level of net free reserves (excluding restricted funds and tangible fixed assets net of borrowings) has been set at £1,356,000. As noted above, Target's actual level of net free reserves as at the balance sheet date amounted to £1,377,000, resulting in a small surplus of £21,000.

The Trustees recognise the current small surplus of net free reserves and consider the current level to be reasonable in the light of the target figure although they would wish to build up the level in the coming years. This ambition recognises that the element relating to the acquisition of properties under the SASH facility must be accumulated over the borrowing period and that the element relating to reductions in income from the loss of operating contracts would be more appropriate at 10% of turnover.

Target's reserves policy is subject to annual review by the Trustees.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2022 (continued)

Plans for future periods

During this second extraordinary year the Charity has successfully continued to work to its Charitable aims and continued to develop and build its projects and partnerships, building on this the Charity intends to:

- Continue to work with its staff to use the lessons learned throughout the last two years to develop opportunity for more flexible working patterns wherever possible.
- To look for further Social Investment opportunities via our partner SASC and to compliment this with further lending from Charity Bank in the form of mortgages for property.
- To take the total number of Target owned properties to over 100.
- Continue to look for opportunities to tender for new work in areas that best utilise the skill and expertise of Target and its staff.
- To secure longer term funding for the Rotherham Homeless hostel to continue to offer safe and secure accommodation to "street homeless" individuals.
- To re-establish direct contracted work with the newly nationalised Probation Service.
- To create a fully staffed and skilled property compliance department to ensure all our properties are operated at the highest H & S standards possible for Target.
- To continue to access new and innovative forms of training to give staff the professional tools they need to succeed in their roles.
- Continue to prioritise training for staff and managers in recognising and managing the stresses of work and creating positive environments at work for all staff to be open and supported about any M/H issues they may face now and in the future.
- Continue to foster our culture of professionalism; personal achievement and aspiration.

Auditors

A resolution to re-appoint Hawsons as auditors will be proposed at the Annual General Meeting.

Statement of disclosure of information to auditors

The trustees of the company who held office at the date of approval of this Annual Report as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board

Steve Crane



.....2022

6 September 2022

**Target Housing Limited
(Limited by Guarantee)**

Statement of Board's responsibilities

The Board is responsible for preparing the report and 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 of the association for that period.

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

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and to enable it to ensure that the financial statements comply with the Companies Act 2006, 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 in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the club and to prevent and detect fraud and other irregularities.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2022

We have audited the financial statements of Target Housing Limited (Limited by Guarantee) ("the association") for the year ended 31 March 2022 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2022

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the board report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2022

Responsibilities of trustees

As explained more fully in the board's responsibilities statement set out on page 12, the board (who are also the directors of the association for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine 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.

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

The association is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the charity's result for the period, and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the association to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2022

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

This report is made solely to the housing association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 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 them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Bladen, Senior Statutory Auditor

for and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

9 September2022

Target Housing Limited (Limited by Guarantee)

Accounting policies

For the year ended 31 March 2022

The Registered Provider is incorporated under the Companies Act 2006 (registered number 2787689) and the Charities Act 2011 (registered number 1017481) and is a Registered Social Housing Provider (Home and Communities Agency number 4679). The association constitutes a public benefit entity as defined by FRS102.

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom financial reporting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice for Social Housing Providers 2018 (SORP) and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The company participates in the Social Housing Pension Scheme (SHPS). This is a defined benefit multiemployer scheme. Historically insufficient information was produced by the scheme administrator to enable defined benefit accounting to be applied. Accordingly, the company accounted for the SHPS as a defined contribution scheme and recognised a liability for the present value of the company's deficit funding agreement. However, in the prior year sufficient information was produced to enable the move to defined benefit accounting in accordance with FRS102.

Going concern

After due consideration of all relevant factors, including the recent COVID-19 pandemic, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Incoming resources

All incoming resources are included in the Income and Expenditure Account when the association is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Rental turnover represents rental and service charges income receivable in the year.

Voluntary income is received by way of grants, donations and gifts and is included in full in the Income and Expenditure Account when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the association, are recognised when the association becomes unconditionally entitled to the grant.

Investment income is included when receivable.

Incoming resources from charitable activity are accounted for when earned.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the association earns the right to consideration by its performance.

**Target Housing Limited
(Limited by Guarantee)**

Accounting policies (continued)

For the year ended 31 March 2022

Resources expended

Expenditure is recognised on an accrual basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is included as part of the expenditure to which it relates.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remains with the lessor, are charged to the Income and Expenditure Account on a straight line basis over the period of the lease.

Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties	2% straight line
Motor vans	25% straight line
Computer equipment	25% straight line
Office equipment	25% straight line

Pension costs

The association is part of a multi-employer defined benefit plan for the benefit of its employees. A liability for the association's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

Restricted reserves

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account. A transfer from restricted reserves is then made as appropriate.

Taxation

No taxation is payable by the Registered Provider, since it has charitable status its activities are exempt from tax.

**Target Housing Limited
(Limited by Guarantee)**

Accounting policies (continued)

For the year ended 31 March 2022

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

The measurement of one of the loans is the higher of the amount transferred from the lender and the amount linked to the market value of the associated properties. The loan is held at transaction value but could be revalued to the fair value if or when the underlying properties are revalued.

Provisions

Provisions are recognised when the association has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Defined benefit pension obligation

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise. Further information can be found in Note 19.

Basic 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 of the association after deducting all of its liabilities.

Complex financial instruments

Where a financial instrument does not meet the criteria of a basic financial instrument it is classified as a complex financial instrument in accordance with section 12 of FRS102. Where such a liability is recognised it is initially recognised at its fair value, before being subsequently adjusted at each period end with the change in fair value included in the income and expenditure account.

**Target Housing Limited
(Limited by Guarantee)**

Income and Expenditure Account

For the year ended 31 March 2022

	Note	2022 £	2021 £
Turnover		12,231,814	10,122,921
Less: Operating costs		(12,074,527)	(9,070,236)
Operating surplus	1	157,287	1,052,685
Interest receivable and similar income	5	86	56
Interest payable and similar charges	6	(63,539)	(61,113)
Surplus on ordinary activities for the year		93,834	991,628

There is no difference between the reported surplus for the period and historical cost surpluses or deficits.

The results relate wholly to continuing activities.

Approved and authorised for issue by the Board of Directors and Trustees on 6 September 2022
and signed on its behalf by:



Rick Plews



Steve Crane

**Target Housing Limited
(Limited by Guarantee)**

Statement of Comprehensive Income

For the year ended 31 March 2022

	Note	2022 £	2021 £
Surplus for the year		<u>93,834</u>	<u>991,628</u>
Actuarial gains/(losses) in respect of defined benefit pension scheme		<u>114,000</u>	<u>(270,000)</u>
Total comprehensive income for the year		<u>207,834</u>	<u>721,628</u>

**Target Housing Limited
(Limited by Guarantee)**

Balance sheet – 31 March 2022

Company Number – 2787689

	Note	2022 £	2021 £
Fixed assets			
Properties at depreciated cost	7	8,289,599	4,378,564
Other fixed assets	8	<u>144,463</u>	<u>71,929</u>
Total fixed assets		<u>8,434,062</u>	<u>4,450,493</u>
Current assets			
Debtors	10	850,111	719,517
Cash at bank and in hand	9	<u>1,566,886</u>	<u>2,773,546</u>
		2,416,997	3,493,063
Creditors – amounts falling due within one year	11	<u>(870,613)</u>	<u>(803,219)</u>
Net current assets		<u>1,546,384</u>	<u>2,689,844</u>
Total assets less current liabilities		9,980,446	7,140,337
Creditors – amounts falling due after one year	12	<u>(6,702,737)</u>	<u>(3,949,462)</u>
Defined benefit liability	19	<u>(302,000)</u>	<u>(423,000)</u>
Total net assets		<u><u>2,975,709</u></u>	<u><u>2,767,875</u></u>
Capital and reserves			
Revenue reserve	16	2,975,709	2,753,623
Restricted reserves	16	<u>-</u>	<u>14,252</u>
		<u>2,975,709</u>	<u>2,767,875</u>

The financial statements were approved and authorised for issue by the Board of Directors and Trustees on ~~6 September~~ 2022 and were signed on its behalf by:



Rick Plews



Steve Crane

**Target Housing Limited
(Limited by Guarantee)**

Cash Flow Statement

For the year ended 31 March 2022

	Note	2022 £	2021 £
Cash flow from operating activities	17	491,183	1,447,196
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(4,392,772)	(1,955,901)
Receipts from sales of tangible fixed assets		-	56,058
Interest received		86	56
Net cash flow from investing activities		(4,392,686)	(1,899,787)
Cash flow from financing activities			
Interest paid		(63,539)	(61,113)
Repayment of long term loans		(274,018)	(224,659)
Cash inflow from new borrowings		3,032,400	2,550,000
Net cash flow from financing activities		2,694,843	2,264,228
Net (decrease)/increase in cash and cash equivalents		(1,206,660)	1,811,637
Cash and cash equivalents at the beginning of the reporting period		2,773,546	961,909
Cash and cash equivalents at the end of the reporting period		1,566,886	2,773,546
Cash and cash equivalents consists of:			
Cash at bank and in hand	9	1,566,886	2,773,546

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements

For the year ended 31 March 2022

1. Social housing income and expenditure

	2022	2021
	£	£
Gross rents receivable	6,332,834	5,098,627
Supporting People income	1,153,687	805,398
Revenue grants receivable	281,261	216,731
AASC income	4,062,564	3,600,926
Other income	401,468	401,239
	12,231,814	10,122,921
Social housing operating costs	(12,074,527)	(9,070,236)
Operating surplus	157,287	1,052,685

2. Operating surplus

Operating surplus is stated after charging:

	2022	2021
	£	£
Auditors remuneration		
- as auditors	3,900	3,700
- for non audit services	7,140	6,362
Depreciation	409,203	249,257

3. Board and key management personnel remuneration

The total remuneration for key management personnel comprising the six members of the senior management team amounted to £305,860 (2021 – six members £238,188). The key management personnel of the charity comprise the trustees and the Senior Management Team, which at the year end comprises the staff members listed below.

Chief Executive Officer
Deputy Chief Executive Officer
Head of Finance
Head of Social Housing
Head of Development
Head of Operations

No remuneration or out of pocket expenses were paid to the Trustees during the period.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

4. Employee information

The average number of persons employed during the year expressed in full time equivalents was:

	2022	2021
	No.	No.
Administration staff	27	22
Housing development staff	121	96
	148	118
Total employee emoluments:	2022	2021
	£	£
Gross salaries	3,324,970	2,483,392
Employers national insurance	281,574	198,916
Pension contributions	202,924	125,807
	3,809,468	2,808,115

The number of employees who earned between £70,000 and £79,999 during the year was nil (2021 – 1).

The number of employees who earned between £100,000 and £109,999 during the year was 1 (2021 – nil).

5. Interest receivable

	2022	2021
	£	£
Bank deposits	86	56
	86	56

6. Interest payable

	2022	2021
	£	£
Mortgage interest	63,539	61,113
	63,539	61,113

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

7. Tangible fixed assets – housing properties (for letting)

	Properties £
Cost	
As at 1 April 2021	5,275,074
Additions	4,277,977
Disposals	-
As at 31 March 2022	9,553,051
Depreciation	
As at 1 April 2021	896,510
Charge for the year	366,942
Eliminated on Disposals	-
As at 31 March 2022	1,263,452
Net book value	
As at 31 March 2022	8,289,599
As at 31 March 2021	4,378,564

Social housing properties with a net book value of £7,535,039 (2021 - £3,831,133) have been pledged as security for liabilities of the company.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

8. Other tangible fixed assets

	Motor Vehicles	Computer Equipment	Office Equipment	Total
	£	£	£	£
Cost				
As at 1 April 2021	6,000	322,122	38,736	366,858
Additions	19,800	94,995	-	114,795
Disposals	-	-	-	-
As at 31 March 2022	25,800	417,117	38,736	481,653
Depreciation				
As at 1 April 2021	3,250	253,718	37,961	294,929
Charge for the year	3,975	37,860	426	42,261
Eliminated on Disposals	-	-	-	-
As at 31 March 2022	7,225	291,578	38,387	337,190
Net book value				
As at 31 March 2022	18,575	125,539	349	144,463
As at 31 March 2021	2,750	68,404	775	71,929

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

9.	Cash and cash equivalents	2022	2021
		£	£
	Cash at bank and in hand	<u>1,566,886</u>	<u>2,773,546</u>
10.	Debtors	2022	2021
	All receivable within one year:	£	£
	Rents receivable	196,821	208,108
	Other trade debtors	535,720	421,402
	Prepayments and accrued income	117,570	90,007
		<u>850,111</u>	<u>719,517</u>

Included within rents receivable is a provision of £215,553 (2021: £204,868) in respect of bad and doubtful debts in relation to social housing rent arrears.

11.	Creditors	2022	2021
	Amounts falling due within one year:	£	£
	Trade creditors	485,536	376,597
	Accruals and deferred income	253,301	298,489
	Bank loans	119,429	116,201
	Other loans	12,347	11,932
		<u>870,613</u>	<u>803,219</u>

12.	Creditors	2022	2021
	Amounts falling due after one year:	£	£
	Accruals and deferred income	-	1,464
	Bank loans	1,987,454	1,466,266
	Other loans	4,715,283	2,481,732
		<u>6,702,737</u>	<u>3,949,462</u>

Included within creditors are the following amounts due after more than 5 years:

	2022	2021
	£	£
After more than five years	<u>6,186,634</u>	<u>3,421,264</u>

Security

The bank loans and other loans are secured by charges over the freehold land and buildings, book debt and by assignment of deposit held at Charity Bank.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

13. Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Operating leases which expire:		
Within one year	261,925	216,832
Within two to five years	528,362	618,557
After five years	14,000	30,986
	804,287	866,375

14. Accommodation in management

	2022	2021
Social housing properties owned		
- General needs housing	88	51
Social housing properties managed		
- General needs housing	428	321
Non-social housing properties managed		
- Asylum housing	349	324
Total owned and managed	865	696

15. Called up share capital

Members of the Registered Provider guarantee to contribute a maximum of £1 should there be a call on their guarantee.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

16. Reserves note

	B/fwd £	Income £	Expenditure £	Pension £	C/fwd £
Restricted funds					
- SMITF Welcome Fund	1,667	-	(1,667)	-	-
- BLF Hull EU Revenue	8,517	-	(8,517)	-	-
- SYCF CSE	70	-	(70)	-	-
- SYF Sprinklers	-	1,955	(1,955)	-	-
- Children in Need	3,998	-	(3,998)	-	-
- Clothworkers	-	1,000	(1,000)	-	-
- Efficiency North	-	1,000	(1,000)	-	-
- RMBC Adult care	-	50,000	(50,000)	-	-
- Small individual grants	-	9,167	(9,167)	-	-
Unrestricted funds	<u>2,753,623</u>	<u>12,168,778</u>	<u>(12,060,692)</u>	<u>114,000</u>	<u>2,975,709</u>
	<u>2,767,875</u>	<u>12,231,900</u>	<u>(12,138,066)</u>	<u>114,000</u>	<u>2,975,709</u>

17. Reconciliation of operating surplus to cash flows from operating activities

	2022 £	2021 £
Total comprehensive income for the year	207,834	721,628
Interest payable	63,539	61,113
Interest receivable	(86)	(56)
Depreciation	409,203	249,257
(Profit) on disposal	-	(6,018)
(Increase)/decrease in debtors	(130,594)	28,953
(Decrease)/Increase in creditors	(58,713)	392,319
Net cash flow from operating activities	<u>491,183</u>	<u>1,447,196</u>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

18. Analysis of changes in net debt

	2021	Cash flows	Non-cash changes	2022
	£	£	£	£
Short term borrowings	(128,133)	128,113	(131,776)	(131,776)
Long term borrowings	(3,947,998)	(2,886,515)	131,776	(6,702,737)
Total borrowings	(4,076,131)	(2,758,382)	-	(6,834,513)
Cash and cash equivalents	2,773,546	(1,206,660)	-	1,566,886
Total net debt	(1,302,585)	(3,965,042)	-	(5,267,627)

19. Defined benefit pension scheme

The Registered Provider participates in the Social Housing Pension Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The present value of the defined benefit obligation, fair value of assets and the defined benefit liability as a result is as follows:

	2022 £000s	2021 £000s
Fair value of scheme assets	1,943	1,681
Present value of defined benefit obligation	2,245	2,104
Defined benefit pension scheme deficit	<u>(302)</u>	<u>(423)</u>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2022	2021
	£000s	£000s
Obligation at the start of the year	2,104	1,576
Service cost	54	30
Interest expense	46	38
Actuarial (gains) and losses	48	468
Benefits paid	(36)	(36)
Member contributions	25	24
Other	4	4
	<hr/>	<hr/>
Obligation at the end of the year	2,245	2,104
	<hr/> <hr/>	<hr/> <hr/>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2022	2021
	£000s	£000s
Fair value at start of the year	1,681	1,385
Interest income	37	34
Return on plan assets, excluding amounts included in net interest	162	198
Employer contributions	74	76
Member contributions	25	24
Deficit contributions	(36)	(36)
	<hr/>	<hr/>
Fair value at the end of the year	1,943	1,681
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of deficit funding to defined benefit position

	2022	2021
	£000s	£000s
Deficit funding liability at 1 April 2021	423	191
Actuarial movements during the year	(114)	270
Current service cost during the year	67	38
Deficit contributions paid during the year	(74)	(76)
	<hr/>	<hr/>
Defined benefit liability at 31 March 2022	302	423
	<hr/> <hr/>	<hr/> <hr/>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

Principal actuarial assumptions

The principal actuarial assumptions used are as follows:

	2022	2021
	% per annum	% per annum
Discount rate	2.79	2.17
Inflation (RPI)	3.59	3.28
Inflation (CPI)	3.20	2.86
Salary Growth	4.20	3.86
Allowance for commutation of pension for cash at retirement	75% of Maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

20. Controlling party

The Board considers that there is no overall controlling party.