Co-operative and Community Benefit
Societies Act 2014, number 8374

Regulator of Social Housing Number 4843

TBG OPEN DOOR LIMITED

Annual Report and Financial Statements

Year ended 31 March 2021

Contents

1. Association Information

Directors	
Ursula Bennion	Chair
Surjit Dhande	Vice-chair
Maureen Adams	
Jeremy Arnold	
Marie Li Mow Ching	
John Stephen	
Co-Optee	
Dasos Christou	
Chief Executive Officer	Tim Mulvenna
Company Secretary	Shaun Mclean
Registered Office	2 Bristol Avenue Colindale London NW9 4EW
Auditor	Grant Thornton UK LLP 1 Whitehall Riverside Leeds LS1 4BN
Bankers	Santander UK PLC T54 Ground Floor Ops Bridle Road Bootle Liverpool L30 4GB

Registration Number
A Registered Society under the Co-Operative and Community Benefit Societies Act 2014, number 8374.
Registered by the Regulator of Social Housing, No. 4843

2. Report of the Directors

The Board is pleased to present their report and the financial statements of TBG Open Door Limited for the year ended 31 March 2021.

Principal activities
TBG Open Door Limited is a Housing Association ("the Association") within TheBarnetGroup structure and subsidiary of Barnet Homes Limited for the development and management of affordable housing. The Association is a registered Co-Operative and Community Benefit Society with the Financial Conduct Authority (FCA) effective 31 March 2020 and is registered with the Regulator of Social Housing (RSH) as a provider of social housing. The Association has charitable status for taxation purposes with HMRC. The Association complies with the RSH's regulatory framework.

The services offered by TBG Open Door strongly support the London Borough of Barnet in the delivery of its new Housing Strategy 2020 – 2025 by seeking to:

- Increase the housing supply, thereby preventing homelessness, including making a financial contribution towards general fund pressures arising from homelessness demand;
- Provide homes that people can afford;
- Support vulnerable people; and
- Provide efficient and effective housing services via partner organisations.

Results for the year
The result for the year to 31 March 2021 was a deficit of £720,000 (2020: £482,000 deficit).

Business Review
The Board elected to convert the Company to a Co-Operative and Community Benefit Society and this was approved by the Financial Conduct Authority (responsible for governance of Co-Operative and Community Benefit Societies) on 31 March 2020.

The Association will generate losses for the first ten to fifteen years, in line with the business plan. The long-term business plan does though confirm the financial viability based on a set of reasonable assumptions and supported by stress-testing of those assumptions.

The initial business plan for the Association was to develop 320 new homes in the London Borough of Barnet, enabled by a £65 million loan facility from the London Borough of Barnet. This has now been increased to 341 new homes and a loan facility of £66.7 million. Additional loan facilities of £215 million have been agreed with London Borough of Barnet, meaning that more homes can be acquired, such that it is anticipated that TBG Open Door will own and manage approximately 1,000 units within the next 3-4 years.

The development programme and the financial viability of TBG Open Door Limited is supported by a grant of £23.9m from the London Borough of Barnet, funded from Right to Buy receipts. The grant is provided to support the construction of the properties which will be let at an affordable rent, being at most 65% of market rent.

The loan facilities are to be used to fund, (i) the construction of the properties, which began in March 2018 and ending in 2022, despite some delays due to the Covid-19 pandemic and (ii) the acquisition of properties on the open market, this will be a mix of flats and street properties. The rate of interest on each tranche of the loan shall be the prevailing interest rate offered to the lender at the date of utilisation request by the Public Works Loan Board (PWLB) for the relevant period, less 0.2% where the certainty discount applies plus 1.24% per annum margin.

Now that the UK has left the EU and the transitional period has ended, the delay in returning to 'normality' following the Covid-19 pandemic means that it is not yet entirely clear if any impact of Brexit will affect the business. The Association has risks via its suppliers and contractors where impacts on labour markets, materials supply chains (be that repairs for existing properties or building materials for scheme developments) and similar could impact TBG Open Door. The Board do not believe these risks are so severe as to materially affect the business.

Directors
The names of the Directors who served during the period can be found on page 2.

Third party indemnity provision for Directors
Directors are provided with indemnity insurance procured through The Barnet Group Limited for Personal Accident and Directors' and Officers' liability.

Equality, Diversity and Inclusion
The Association is committed to equality and diversity and our goal is to embed it into our practices and everything we do. We want to ensure that all the people we support receive the best possible service and that everyone is supported to develop and achieve to the best of their abilities.

Our objective is to ensure that services are provided fairly to all the people we support and that the people we support have equal opportunities.

For the people we support, we will:

- Treat the people we support with dignity and respect;
- Consult and involve the people we support in planning the delivery of services;
- Engage with hard to reach groups to get their views;
- Target our services in a person-centred way to ensure our service reflect the needs of the people we support.

Charitable donations
No charitable donations were made by the Association for the year to 31 March 2021 (2020: £nil).

EU Political donations and expenditure
No political donations or expenditure were made for the year to 31 March 2021 (2020: £nil).

Donations to non-EU Political parties
No political donations or expenditure were made for the year to 31 March 2021 (2020: £nil).

Health and safety
The Board of Directors is aware of its responsibilities on all matters relating to health and safety. The Association has detailed health and safety policies and ensures the service provider provides staff training and education on health and safety matters to all their staff involved in the contract.

Payment policy
The Association pays suppliers where possible within suppliers' credit terms.

Statement of the Board's Responsibilities
The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under the Co-operative and Community Benefit Society legislation the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Association for that period. In preparing these financial statements, the Board are required to:

– select suitable accounting policies and apply them consistently;
– make judgements and estimates that are reasonable and prudent;
– state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2018, 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 enable it to ensure that 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 2019. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Remuneration Report
The Board is composed entirely of independent Board members, with no executive representation. Board members and co-opted Board members receive emoluments and are entitled to reimbursement of incidental expenses incurred when attending Board meetings and other formal events in their capacity as Board members. Board members are not entitled to pension benefits. These are the only transactions with the Board members of the Company. Board member remuneration is disclosed in note 6 to the financial statement.

Code of Governance
The Association has adopted the National Housing Federation's 'Code of Governance: Promoting Board Excellence for Housing Associations (2015 edition)' and confirm that the Association complies fully with the Code. An annual review of compliance was conducted using the sector standard checklist was performed by the Board in June 2021, demonstrating continued compliance. The Association will adopt the National Housing Federation's Code of Governance (2020 edition) at a date yet to be decided.

Going Concern
The accounts are prepared on a going concern basis.

The Association has made a deficit of £720,000 in the year and as a result has a negative net assets position. Expenditure relates to management and repairs of completed properties, costs relating to prospective new development schemes and the construction of further properties. The Association is operating to a long-term business plan which enables rental income from completed properties to generate cash to pay off the debt funding accrued in the construction period. The business plan is updated and reviewed by the Board at each Board meeting. The Association has additional committed long-term loan facilities (in excess of 30 years) from London Borough of Barnet that include an allowance for working capital to fund the business whilst the Association makes losses for a number of years. Utilisation of these loan facilities match the financing requirements of the Association's long-term plan. The loan agreements also permit the Association to negotiate with the lender, the option to sell some properties, amend the loan terms or other options to support the financial viability of the Association.

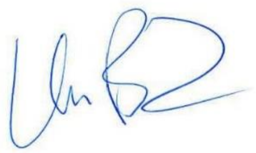
The main risks to the business in the short term are interest rates and void rates of properties. A sharp increase in interest rates whilst development schemes are being completed would mean significantly higher interest costs with no increase in revenues. These development sites are under construction and so the spend is committed. For the acquisition program, this would be paused or stopped when interest rates go above the original business case assumptions.
Demand for social housing in the areas of operation remain high and are expected to get higher post-pandemic. TheBarnetGroup Limited, as the Group holding company, has committed to supporting the Association both financially and operationally if required.

Accordingly, the Board are satisfied that it is appropriate to prepare the accounts on a going concern basis.

Auditor
Grant Thornton UK LLP has expressed their willingness to remain in office. A resolution to reappoint Grant Thornton UK LLP as auditor will be proposed at the June 2021 Board meeting.

Other information
The strategic report below and the remainder of these financial statements, includes important information regarding events after the year-end, Covid-19 and other relevant matters pertinent to the Association and understanding the operations and financial position of the Association. As such the entire Annual report and financial statements document should be read, not only the Report of the Directors.

Approval and signature
The report of the Directors was approved by the Board on 17 June 2021, and signed on its behalf by:



Ursula Bennion, Chair

3. Strategic Report

COVID-19

Firstly, the entire Board and I wish to extend our condolences to all staff, residents and members of the communities served by TheBarnetGroup, who have lost loved ones to Coronavirus. The pandemic has affected our lives in so many ways. Some impacts will be temporary, but others will be longer term and permanent. We will work with all our partners to mitigate the negative impacts and continue to support our most vulnerable service users going forward.

The impact of Covid on the financial year has been limited, apart from some delays when new units have completed, the acquisition program taking longer than estimated and once units were available tenants being able to move in has incurred some delays. Some levels of service have been impacted, primarily due to residents not wanting to grant access to their homes to Barnet Homes staff or partners; generally because these customers were 'shielding'.

Review of Results

The result for the year was a deficit of £720,000 (2020: £482,000 deficit). The deficit includes £304,000 of costs relating to replacing balconies on some blocks where changes to building standards have meant the need to replace these balconies.
TBG Open Door Limited has no usable revenue reserves. The Statement of Financial Position presents an Income and Expenditure reserve deficit of £1,566,000 at 31 March 2021 (2020: £846,000 deficit).

Principal risks and uncertainties

The Association's principal source of income is the future rent from newly built or acquired properties. The main risks to income are variations in the permitted rent increases set by the government and an increase in losses from bad debts, potentially from the impact of Welfare Reform.

The financial impact of COVID-19 in the March 2021 financial year has not been significant due to the limited number of properties being let. The main future risk is delays to those schemes under development, being able to let these units once built and delays in the acquisition program as the conveyancing and legal process takes longer due to Covid. The letting of units has been a challenge due to Covid, but there is still a significant level of demand for social housing.

Further lockdowns may impact on services with customers not wanting service people to enter their homes, so there may be periods where 100% compliance with all statutory health and safety requirements will not be met. There are contingency plans in place to minimise this, but these cannot guarantee compliance.

The initial programme of 320 units (and now 341) units in Barnet is part of a long-term strategy to position TBG Open Door Limited as a growing provider of affordable housing in the borough.

In the construction of the properties, the Association has made reasonable assumptions of costs across the whole programme to ensure all the units can be completed with the available funds. In addition, the Association 'buys in' the services of skilled staff to ensure the timely completion of the schemes.

In terms of funding, the Association is partially funded by a loan facility of up to £66.7m for which interest is charged at the prevailing Public Works Loan Board rate, less 0.2% certainty discount (where applicable) plus 1.24%. This rate is fixed from drawdown through to repayment and the Association will ensure the development programme is completed to time to reduce the possibility of significant variations in interest cost.

Modelling of the business plan and stress testing has demonstrated contingency to accommodate some variation in interest rate. The Association will benefit from £23.9m of grant funding which significantly contributes to the viability of each scheme.

In addition to the £66.7m loan facility described above, the Association has loan facilities totalling £215m allowing it to acquire 155 homes from London Borough of Barnet and up to 500 homes available for sale in the open market. Both these acquisition programs commenced during the year; the 155 units completed in the current financial year and 36 of the 500 program completed. Interest is charged at the prevailing Public Works Loan Board rate, less 0.2% certainty discount (where applicable) plus 1.24%. This rate is fixed from drawdown through to repayment.

The health and safety of residents is of prime importance to the Association. The risks of non-compliance with relevant legislation and regulation could potentially impact on the safety of residents is a significant risk for the Association. Board receives updates on compliance at each Board meeting and management monitor performance on a monthly basis.

There continues to be uncertainty as to the impact of the end of the Brexit transition period from the EU. Whilst this was on January 1, 2021; the pandemic and national lockdown has meant the economy is still not operating entirely in the new way. It is not currently possible to accurately evaluate all the potential impacts on TBG Open Door, its customers, suppliers or the wider economy. Utilising guidance published by the Regulator of Social Housing and other sources, the main areas of risk assessed are supply of materials both for the construction of the properties in progress but also day to day repairs. Suppliers and contractors have all provided assurance that they have appropriate supply chain mitigations to mitigate this risk. Review of these supply chains and their mitigations are reviewed on an ongoing basis and reflected in the Association's risk register.

Post Year-end event
There have been no post year-end events requiring separate disclosure.

Key performance indicators
A suite of key performance measures are tracked, below are the key ones.

	31 March 2021	**31 March 2020**
Properties with a current LGSR certificate	100%	100%
Properties surveyed for electrical safety within the last 5 years	100% New build 90.6% Acquisitions	100%
Overall tenant satisfaction with ODH as a landlord	92.6% New build 100% Acquisitions	92.6%
% P0 & P1 FRA remedial actions completed within time.	98%	N/A
Arrears as a percentage of the rent debit	5.4% New build 27.6% Acquisitions	1.0%

5 weeks of arrears (amounting to £190k) arose on acquisition of 155 properties from Barnet Council, due to the Housing Benefit payments being ended as the landlord had changed. It has been agreed with the Council Housing Benefits team that £160k of this will be paid in early 2021/22 via Universal Credit or Housing Benefit payments.

Value for Money
The Association was established to deliver new homes that people can afford, contribute to the alleviation of Council's General Fund pressures and establish a viable, asset-owning subsidiary of TheBarnetGroup.

The Association began construction of its first properties in the prior periods and the first lettings to tenants took place during 2018/19. As a result, the assessment of value for money (and the performance of these metrics) using the Regulator of Social Housing standard VFM measures was less relevant in prior years. These standard measures are now monitored by the Executive Team and the Board and targets set by the Board. Performance is shown below:

		31-Mar-2019		31-Mar-2020		31-Mar-2021		31-Mar-2022	31-Mar-2023	31-Mar-2024
		Actual	Sector	Actual	Sector	Actual	Budget	Budget	Forecast	Forecast
Metric 1	Reinvestment	62.0%	6.2%	56.4%	7.2%	15.1%	54.0%	12.4%	4.1%	3.4%
Metric 2a	New supply delivered (social housing)	100.0%	1.5%	33.9%	1.5%	85.6%	86.3%	28.6%	21.6%	11.9%
Metric 2b	New supply delivered (non- social housing)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Metric 3	Gearing	67.0%	43.4%	65.8%	44.0%	82.7%	81.3%	89.8%	91.2%	92.7%
Metric 4	EBITDA-MRI Interest Cover	-46%	184%	-4%	170%	54%	63%	92%	114%	119%
Metric 5	Headline Social Housing Cost Per Unit	£8,270	£3,690	£10,857	£3,830	£1,564	£2,290	£3,116	£3,075	£3,211
Metric 6a	Operating margin (social housing lettings)	-28.0%	29.2%	39.0%	25.7%	39.4%	54.9%	45.9%	48.2%	48.2%
Metric 6b	Operating margin (overall)	-38.0%	25.8%	-27.6%	23.1%	27.4%	54.9%	45.9%	48.2%	48.2%
Metric 7	Return on Capital employed	-0.4%	3.8%	-0.3%	3.4%	0.4%	1.2%	1.6%	1.9%	1.9%

The sector results are included as they show the sort of results that are achieved for established organisations. For a new organisation like TBG Open Door, these are less useful as comparators but the future forecast results for the Association show how performance is expected to change in future years and results will be more similar to the sector average.

The above table shows how as a new organisation the standard metrics have significant fluctuations year to year as units complete, but also the significant impact of ‘one off’ cost variations. In 2019 there was £307,000 of ‘abortive’ costs and in the current year £304,000 of remedial works to replace balconies at some blocks. These costs explain the very high Cost per unit in 2020, but has had less impact in 2021 as most of the units only transferred late in the year and so the costs incurred were low relative to a full year of expenditure, but the calculation of the metric uses the year end volume of units managed, meaning a ‘diluted’ cost per unit.
Metric 1 does not include acquired units, only spend on new units whilst Metric 2 does include acquired units and is why the results differ significantly.
Metric 3 reflects that the business has no reserves and so all build and acquisition is funded via debt. This also is why the interest cover (Metric 4) is much lower than historical sector average and well below 100%. This is forecast to improve as the units now acquired are let and make a positive financial contribution.
Operating margins are strong (Metric 6), aided by limited repairs costs as most units are newly built or newly refurbished (for the acquired units). The positive operating performance has resulted in the positive Return on Capital (Metric 7).

The Association has a Value for Money strategy and will continue to monitor compliance using the regulatory requirements of the Regulator of Social Housing, including amending the measures used to reflect the growth of the business.

Future Developments – TBG Open Door Limited
The discussions within the Group regarding the future of the TBG Open Door Limited services have provided the opportunity for achieving the following objectives as outlined in the TBG Open Door Limited Business Plan:

- Develop quality new housing, including new types of construction and to deliver alternative tenure types such as shared ownership, market rent or other sub-market opportunities
- Access grant opportunities and third party funding streams rather than solely from London Borough of Barnet
- Become asset owning and to use those assets over time to leverage further development and business opportunities
- Support the Council in delivering its housing strategy
- Support the Council in reducing or cross subsidising homelessness costs

This ambition, aimed at further supporting the Council in its strategic objectives, is also in keeping with TheBarnetGroup’s mission to operate with a “Public sector ethos but with a private sector commercial focus”.

The Governance and Financial Viability Standard
The Board confirm that TBG Open Door is compliant with the Governance and Financial Viability Standard issued by the Regulator of Social Housing.

Monitoring arrangement
The Association is monitored by its Board together with oversight of internal controls and risks by TheBarnetGroup's Audit and Risk Committee. In addition, the financial performance of the Association is monitored by its immediate parent, Barnet Homes Limited.

Approval and signature
The strategic report was approved by the Board on 17 June 2021 and signed on its behalf by:

Ursula Bennion, Chair

Independent auditor's report to the members of TBG Open Door Limited

Opinion

We have audited the financial statements of TBG Open Door Limited (the 'Association') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance 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 2019.

Basis for opinion

We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014 and report in accordance with regulations made under that Act. 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Association to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Association's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Association's financial resources or ability to continue operations over the going concern period.

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.

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board for the financial statements

As explained more fully in the Board's responsibilities statement, 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 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 directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the association, and the sector in which it operates. We determined that the following laws and regulations were most significant; financial reporting legislation (Housing SORP 2018, United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, the Accounting Direction for Private Registered Providers of Social Housing 2019, Co-operative and Community Benefit Act 2014 and Housing and Regeneration Act 2008), and the NHF Code of Governance 2015. The engagement team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We understood how the association is complying with these legal and regulatory frameworks by making inquiries of management, internal audit, and those charged with governance. We enquired of

management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes and papers provided to the Audit and risk committee, and through our legal and professional expenses review.

- To assess the potential risks of material misstatement, including how a fraud might occur, we obtained an understanding of:
  - The Association's operations, including the nature of its sources of income, expected financial statement disclosures and risks that may result in risk of material misstatement; and
  - The Association's control environment including the adequacy of procedures for authorisation of transactions
- Audit procedures performed by the engagement team included:
  - Evaluating the processes and controls established to address the risks related to irregularities and fraud;
  - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
  - Challenging assumptions and judgements made by management in its significant accounting estimates;
  - Identifying and testing related party transactions; and
  - Completion of audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud, or non-compliance with laws and regulations throughout the audit.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Association operates in and their practical experience through training and participation with audit engagements of a similar nature. All team members are qualified accountants or working towards that qualification and are considered to have sufficient knowledge and experience of organisations of a similar size and complexity, appropriate to their role within the team.
- From the procedures performed we did not identify any material matters relating to non-compliance with laws and regulation or matters in relation to fraud.

Use of our report

This report is made solely to the society's members, as a body, in accordance with regulations made under Section 87 of the Co-operative and Community Benefit Societies Act 2014. 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 the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Victoria McLoughlin BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
Date: 1/7/2021

TBG OPEN DOOR LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2021	2020
		£'000	£'000
Turnover	3	2,209	602
Operating Costs	3	(1,614)	(771)
Other Income	3	15	3
Operating surplus/(deficit)		**610**	**(166)**
Interest and financing costs	7	(1,331)	(317)
Interest receivable		1	1
Deficit before taxation		**(720)**	**(482)**
Taxation	8	-	-
Deficit after tax		**(720)**	**(482)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(720)**	**(482)**

Statement of Changes in Reserves

	Revenue Reserve
	£'000
Balance at 1 April 2019	(364)
Deficit for the year	(482)
Balance at 31 March 2020	**(846)**
Deficit for the year	(720)
Balance at 31 March 2021	**(1,566)**

All the above relate to continuing activities

The accompanying accounting policies and notes form part of these financial statements.

The financial statements were authorised and approved by the Board on 17 June 2021 and signed on its behalf by:

Ursula Bennion, Chair **John Stephen** **Shaun McLean, Company Secretary**

TBG OPEN DOOR LIMITED

STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2021

	Notes	2021	2020
		£'000	£'000
ASSETS			
Tangible Assets			
Tangible Fixed Assets - Housing Properties	9	134,774	52,625
Other Tangible Fixed Assets	10	32	42
Current assets			
Trade and other debtors	11	2,807	343
Cash and cash equivalents		4,468	827
		7,275	1,170
Total Assets		142,081	53,837
LIABILITIES			
Current Liabilities			
Creditors: Amounts due within 1 year	12	(2,961)	(3,892)
Total assets less current liabilities		**139,120**	**49,945**
Creditors: Amounts due after more than 1 year			
Loans	14	(111,440)	(33,652)
Deferred Grant Income	13	(29,246)	(17,139)
Total Net Liabilities		**(1,566)**	**(846)**
Capital and reserves			
Revenue reserve		(1,566)	(846)
Total Equity		**(1,566)**	**(846)**

The financial statements were authorised and approved by the Board on 17 June 2021 and signed on its behalf by:

Ursula Bennion, Chair **John Stephen** **Shaun McLean, Company Secretary**

Co-operative and Community Benefit Society Number: 8374

The accompanying accounting policies and notes form part of these financial statements.

TBG OPEN DOOR LIMITED

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH 2021

		2021	2020
		£'000	**£'000**
Cash flows from operating activities			
Net cash (utilised)/generated from operating activities	(a)	**(1,288)**	**1,457**
Cash flows from investing activities			
Purchase and construction of housing properties		(82,877)	(29,663)
Grant received		12,349	6,822
Net Cash used in investing activities		**(70,528)**	**(22,841)**
Cash flows from financing activities			
Loans drawn		77,788	20,157
Loans repaid		(1,000)	(1,000)
Interest paid		(1,331)	(317)
Net Cash generated in financing activities		**75,457**	**18,840**
Net change in cash and cash equivalents	**(c)**	3,641	(2,544)
Cash and cash equivalents at beginning of year		827	3,371
Cash and cash equivalents at end of year		**4,468**	**827**

The accompanying accounting policies and notes form part of these financial statements.

TBG OPEN DOOR LIMITED

STATEMENT OF CASH FLOW CONTINUED

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£'000	£'000
(a) Reconciliation of deficit to net cash (utilised)/generate from operating activities		
Loss for the year	(720)	(482)
Adjustment for non-cash items:		
Depreciation of housing properties	728	164
Amortisation of grant	(99)	(32)
Other depreciation & amortisation	10	10
(Increase)/decrease in trade and other debtors	(2,463)	1,104
(Decrease)/increase in trade and other creditors	(75)	376
Interest paid	1,331	317
Net cash (utilised)/generated (by)/from operating activities	**(1,288)**	**1,457**

(b) Reconciliation of net cashflow to movement in net debt

	2021	2020
(Increase)/decrease in cash in the year	(3,641)	2,544
New loans	77,788	20,157
Loans repaid	(1,000)	(1,000)
Change in net debt	**73,147**	**21,701**
Net debt brought forward	33,825	12,124
Net debt carried forward	**106,972**	**33,825**

(c) Analysis of changes in net debt	**At 1 April 2020**	**Cash flow**	**At 31 March 2021**
Debt due within one year	1,000	(1,000)	-
Debt due after one year	33,652	77,788	111,440
	34,652	76,788	111,440
Cash at bank	827	3,641	4,468
Total net debt	33,825	73,147	106,972

1. Legal Status

TBG Open Door (the "Association") converted to Co-operative and Community Benefit Society on 31 March 2020 meaning the Association is now registered under the Cooperative and Community Benefit Society Act 2014 and is a registered provider of social housing. The Association is also registered with the Financial Conduct Authority (FCA).

TBG Open Door Limited is an entity within TheBarnetGroup structure and subsidiary of Barnet Homes Limited, for the development and management of affordable housing. The Association was incorporated on 29 October 2015 and registered with the regulator of Social Housing as a registered provider of social housing on 7 March 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The financial statements are presented in British Pounds Sterling (£), the functional currency of the Association.

Disclosure exemptions

The individual accounts of TBG Open Door Limited has adopted the following disclosure exemptions:

Financial instrument disclosures, including:

- categories of financial instruments
- items of income
- losses relating to financial instruments
- exposure to and management of financial risks

Going Concern

The accounts are prepared on a going concern basis.

The Association has made a deficit of £720,000 in the year and as a result has a negative net assets position. Expenditure relates to management and repairs of completed properties, costs relating to prospective new development schemes and the construction of further properties. The Association is operating to a long-term business plan which enables rental income from completed properties to generate cash to pay off the debt funding accrued in the construction period. The business plan is updated and reviewed by the Board at each Board meeting. The Association has additional loan facilities that include an allowance for working capital to fund the business whilst the Association makes losses for a number of years. The loan agreements also permit the Association to negotiate with the lender, the option to sell some properties, amend the loan terms or other options to support the financial viability of the Association.

Going Concern (continued)
The main risks to the business in the short term are interest rates and void rates of properties. A sharp increase in interest rates whilst development schemes are being completed would mean significantly higher interest costs with no increase in revenues. These development sites are under construction and so the spend is committed. For the acquisition program, this would be paused or stopped when interest rates go above the original business case assumptions. Demand for social housing in the areas of operation remain high and are expected to get higher post-pandemic. TheBarnetGroup Limited, as the shareholders parent company, has committed to supporting the Association both financially and operationally if required.

Accordingly, the Board are satisfied that it is appropriate to prepare the accounts on a going concern basis.

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

Valuation and impairment of social housing properties
Annually, the Association assess whether the carrying value of the properties represents a fair value of the assets or whether an indicator of impairment exists. In making the judgment, management considered the criteria set out in the SORP. No indicators of impairment have been identified as existing at the year-end and as such the assets are reflected at historical cost less any depreciation to date.

Fixed Asset vs Investment Properties
All the Association’s properties are ‘social housing’ as they are held for their social benefit, i.e. they are rented out at subsidised rates to eligible tenants.

Estimation uncertainty
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Economic life of assets
An estimation of the useful economic life of the organisation’s assets are determined by management and disclosed within the accounting policies. The estimates are based on industry standards adjusted to reflect our own experience, quality of components and maintenance procedures.

Bad and doubtful debts
Provision is made against rent for current and former tenants and against sundry debts to the extent that they are considered by management not to be recoverable at their full value. The level of provision is based on historical experience and future expectations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Turnover and Revenue recognition
Turnover comprises rental income and grant receivable in the year.
Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, for acquired properties it is when properties become available for letting, net of voids. Properties let at affordable rent are inclusive of service charges.

Taxation
For the year ended 31 March 2021, the Association is subject to corporation tax, as it has not yet been granted charitable status, as recognised by HMRC. Tax is recognised for income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

VAT
The Association was not registered for VAT at 31 March 2021. The financial statements include VAT.

Housing Properties
Housing properties are properties held for the provision of social housing. Properties during construction are stated at cost and included in fixed assets. Properties under construction are transferred to “completed housing properties” when they are available for letting. No depreciation is provided on the properties until they are ready for use. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements

Capitalised Development Costs
Only directly attributable project costs are capitalised in housing property costs. These costs include acquisition, construction, capitalised interest and overheads. Staff costs which are directly attributable in bringing housing properties into working condition for their intended use are capitalised as development allowances.

Pre-contract costs

Pre-contract costs are recognised as an asset only if they are directly attributable to bringing the asset to its intended operating condition and specific contract, can be separately identified, measured reliably and when there is virtual certainty that a contract will be obtained and is expected to result in future net cash inflows.

Government Grants

Grants are paid by the London Borough of Barnet to subsidise the cost of constructing housing properties. Grants on completed housing properties are accounted for using the accrual model as set out in FRS102 and the Housing SORP 2018. Grants are recognised as deferred income in the Statement of Financial Position and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset.

Government grants released on sale of property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors. If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in income and expenditure.

Donated Land
The difference between the fair value of the donated land and the consideration paid for it is recognised as a government grant and included in the Statement of Financial Position as a liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Interest Payable

Interest is capitalised on borrowings to finance the development of qualifying assets, to the extent that it accrues in respect of the period of development, if it represents interest on borrowings specifically financing the development programme after deduction of relevant grants received in advance. Other interest payable is charged to income and expenditure in the year.

Depreciation of Housing Properties

The Association separately identifies the major components which comprise its housing properties and charge depreciation to write down the cost of each component, to its estimated residual value, on a straight-line basis, over its estimated useful economic life. The estimated useful life of the major components is as follows:

Component	Lifecycle - years
Main Structure	100
Roof	50
Doors and Windows	40
Gas Heating	30
Boiler	12
Kitchens	20
Bathrooms	30
Lifts	15
Electrical	30

Freehold land is not depreciated. Leasehold properties are amortised over the period of the lease or the estimated useful economic life in the business, if shorter.

Impairment

Housing properties are assessed annually for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the Association, its recoverable amount is its fair value less costs to sell.

Other Tangible Fixed Assets

Other tangible fixed assets are measured at cost less accumulated depreciation. Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives (with no charge in the year of acquisition) as follows:

Computers and software	3 to 5 years

Financial Instruments

Financial Instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised cost model.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in surplus or deficit. At each year end, the instruments are revalued to fair value, with the movements posted to the income and expenditure.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price.

Equity and reserves
Retained earnings include all current retained results.

Provisions, contingent liabilities and contingent assets
Provisions and contingent liabilities are recognised when the Association has a present obligation as a result of a past event, and it is probable that the Association will be required to settle that obligation.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material. The Association has no contingent assets.

TBG OPEN DOOR LIMITED

3. TURNOVER, OPERATING COSTS AND OPERATING DEFICIT

	2021	**2021**	**2021**	**2020**	**2020**
	Turnover	**Operating Costs**	**Operating Surplus/(Deficit)**	**Turnover**	**Operating Surplus/(Deficit)**
	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings	2,209	(1,338)	871	602	236
Other Social Housing Activities	15	(276)	(261)	3	(402)
	2,224	(1,614)	610	605	(166)

Other social housing activity costs primarily relates to payments to London Borough of Barnet for contribution to homelessness prevention. In the prior year the cost related to abortive costs on unsuccessful development schemes.

Social Housing Lettings

	2021	**2020**
	Affordable Housing	**Affordable Housing**
	£'000	£'000
Income		
Rent Receivable	2,110	570
Other Grants	-	-
Amortised Grant	99	32
Turnover from Social Housing Lettings	**2,209**	**602**
Expenditure		
Management	193	170
Service Charge costs	19	22
Depreciation of housing properties	728	164
Other costs	398	10
Operating costs on Social Housing Lettings	**1,338**	**366**
Operating surplus on Social Housing Lettings	**871**	**236**
Void losses	78	4

TBG OPEN DOOR LIMITED

4. ACCOMMODATION IN MANAGEMENT AND DEVELOPMENT

	2021 Number of Properties	2020 Number of Properties
Social Housing - Affordable Rent		
Total accommodation owned and Managed	390	56
Accommodation in development at year end	142	225

5. OPERATING SURPLUS/(DEFCIT)

The operating surplus/(deficit) has been arrived at after charging the following:

	2021 £'000	2020 £'000
Depreciation of housing properties	728	164
Depreciation of other fixed assets	10	11
Auditors remuneration (excluding VAT)		
- Fees payable to the Association's Auditors for the audit of the financial statements	12	10
- Fees payable to the Auditors for other services	-	22
- Tax compliance services	5	5

There are no employees of the Association apart from the Non- Executive Directors.

6. DIRECTORS

6.1 NON- EXECUTIVE DIRECTORS

The Non-Executive Directors are defined as being the members of TBG Open Door Limited's Board, who are not executive officers of TBG Open Door Limited. The Non-Executive Directors received emoluments for the financial year and were entitled to reimbursement of incidental expenses incurred when attending Board meetings and other formal events in their capacity as Board members.

Emoluments Received:		2021 £	2020 £
Maureen Adams		4,583	-
Dasos Christou		4,543	-
Surjit Dhande		5,000	*5,000*
Julie Jones	(resigned 12 September 2019)	-	*2,347*
Terence Rogers	(resigned 1 August 2019)	-	*991*
Jeffrey Baker	(resigned 1 August 2019)	-	*883*
John Stephen		1,875	*2,083*
Jeremy Arnold		2,727	*5,000*
Marie Li Mow Ching		5,000	*5,000*
Ursula Bennion		3,750	*3,750*
		27,478	25,054

TBG OPEN DOOR LIMITED

6.2 EXECUTIVE DIRECTORS

No remuneration was paid by TBG Open Door Limited to the Executive Directors during the period under review.

7. INTEREST AND FINANCING COSTS

	2021	**2020**
	£'000	£'000
Interest payable on borrowing	2,281	901
Interest capitalised on housing properties under construction	(961)	(590)
Amortisation of loan issue cost	11	6
	1,331	317

Interest capitalised was at an average rate of 3.62% (2020: 3.69%)

8. TAXATION

Tax charge per accounts

	2021	**2020**
	£'000	£'000
Analysis of tax charge/(credit) for the period		
Current tax		
UK corporation tax at 19.00% (PY: 19.00%)	-	-
Adjustments in respect of prior periods	-	-
Total current tax charge	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	-	-
Provision for deferred tax		
Movement in Provision:		
Provision at start of period	-	-
Deferred tax charged in the Statement of comprehensive income for the period	-	-
Provision at end of the period	-	-
Deferred tax (asset)/liability not recognised	(126)	(114)

TBG OPEN DOOR LIMITED
8. TAXATION CONTINUED

Reconciliation of tax charge

	Current period		**Prior period**	
	Derived	**Accounts**	**Derived**	**Accounts**
	£'000	£'000	£'000	£'000
	£	£	£	£
Loss on ordinary activities before tax	(721)	(721)	(482)	(482)
Tax on loss on ordinary activities at				
standard CT rate of 19.00% (PY: 19.00%)	(137)	(137)	(92)	(92)
Effects of:				
Fixed asset differences	139	139	31	31
Expenses not deductible for tax purposes	5	5	61	-
Income not taxable for tax purposes	(19)	(19)	(6)	(6)
Adjust closing deferred tax to average rate of 19%	-	-	-	-
Adjust opening deferred tax to average rate of 19%	-	-	(6)	(6)
Adjustments to brought forward values	-	-	(50)	-
Deferred tax not recognised	12	12	62	73
Tax charge for the period	-	-	-	-

TBG OPEN DOOR LIMITED

9. TANGIBLE FIXED ASSETS: HOUSING PROPERTIES

	Social Housing Properties held for letting	Housing Properties for Letting Under Construction	Total Housing Properties
	£'000	£'000	£'000
Cost			
At 1 April 2020	13,021	39,814	52,835
Additions:			
Acquisitions	62,585	-	62,585
Construction costs	-	20,292	20,292
Schemes completed	37,607	(37,607)	-
At 31 March 2021	113,213	22,499	135,712
Depreciation			
At 1 April 2020	210	-	210
Charge for the year	728	-	728
At 31 March 2021	938	-	938
Net book value			
At 31 March 2021	112,275	22,499	134,774
At 31 March 2020	12,811	39,814	52,625

The properties held for letting comprise 390 (2020: 56) units at Affordable Rent. All the units are managed by the parent company of TBG Open Door.

Social Housing Assistance

	2021	**2020**
	£'000	£'000
Total accumulated social housing grant received or receivable at 31 March:		
Recognised in the Statement of Comprehensive Income	140	41
Held as Deferred Income	29,042	17,175
	29,182	17,216

Finance Costs

	2021	**2020**
	£'000	£'000
Amount of finance costs included in the year	961	590
Aggregate amount of finance costs included in housing properties	1,816	855

10. OTHER FIXED ASSETS

	£'000
	Computers and software
Cost	
At 1 April 2020	53
Additions:	-
At 31 March 2021	53
Depreciation and impairment	
At 1 April 2020	11
Charge for the year	10
At 31 March 2021	21
Net Book Value	
At 31 March 2021	32
At 31 March 2020	42

11. TRADE AND OTHER DEBTORS

	2021	**2020**
	£'000	£'000
Rent Receivable	315	7
Amount due from ultimate parent	2,281	99
Amount due from Group companies	144	-
Other Debtors	67	237
	2,807	343

12. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2021	**2020**
	£'000	£'000
Loans - due to Group companies (see Note 14)	-	1,000
Rent Received in Advance	56	14
Deferred Grant Income (see Note 13)	181	38
Trade creditors	900	242
Accruals	1,490	678
Amount due to Group companies	334	1,920
	2,961	3,892

The Association aims to pay all suppliers within the contract or invoice payment terms.

13. DEFERRED GRANT INCOME

	2021	2020
	£'000	£'000
At 1 April	17,177	10,386
Grant Received in the year	12,349	6,823
Released to income in the year	(99)	(32)
At 31 March	29,427	17,177
Amounts to be released within 1 year	181	38
Amounts to be released in more than 1 year	29,246	17,139

14. DEBT ANALYSIS

	2021	2020
	£'000	£'000
Borrowings		
Due within one year:		
Loans	-	1,000
Due after more than one year:		
Loans	111,891	33,968
Less: loan issue costs	(451)	(316)
	111,440	33,652
Total Borrowings	111,440	34,652

Security

Loans are secured on all the properties of the organisation.

Terms of Repayment and Interest Rates

The rate of interest on each loan for each interest period is the prevailing interest rate offered to the lender at the date of utilisation request by the Public Works Loan Board for the relevant period and type of loan, less 0.2% certainty discount where applicable plus 1.24%p.a.

	2021	2020
	£'000	£'000
Loans repayable by instalments:		
In five or more years	111,440	33,968
Between two and five years	-	-
Between one and two years	-	-
In one year or less and on demand	-	1,000
	111,440	34,968

At 31 March 2021 the entity had undrawn loan facility of £170m (2020: £32m).

15. RELATED PARTY TRANSACTIONS

	2021	2020
	£'000	£'000
Amount due from TheBarnetGroup Limited	135	-
Invoices to TheBarnetGroup Limited	15	-
Amount due to Barnet Homes Limited	(730)	(530)
Invoices from Barnet Homes Limited	863	966
Invoices to Barnet Homes Limited	-	(2)
Loan from Barnet Homes Limited	-	1,000
Invoices to Bumblebee Lettings Limited	-	8
Amount due from Bumblebee Lettings Limited	-	8
Loan and grant receipts from London Borough of Barnet	12,034	25,651
Loan payable to London Borough of Barnet	(111,440)	(33,968)

TBG Open Door Ltd is a Community Benefit Society. The smallest Group to consolidate these financial statements is TheBarnetGroup Limited. The largest Group to consolidate these financial statements is London Borough of Barnet. Copies of TheBarnetGroup Limited and London Borough of Barnet accounts can be obtained from 2 Bristol Avenue, Colindale, London NW9 4EW.

The ultimate parent entity is London Borough of Barnet by virtue of its controlling interest in TheBarnetGroup Limited.

16. EQUITY

Share capital

The Association is limited by guarantee and therefore has no share capital. Each member agrees to contribute £1 in the event of the Association winding up.

Number of Members

At 31 March 2020	1
Joined in year	6
At 31 March 2021	7

17. CAPITAL COMMITMENTS

	2021	2020
	£'000	£'000
Capital expenditure contracted for but not provided for in the financial statements	4,385	19,409
Capital expenditure authorised by the Board but not yet under contract	9,257	6,018

This expenditure will be funded in the ratio 70% from existing loan facilities and 30% from grant funding.